

(Summary English translation)

Interim Consolidated Financial Statements (Unaudited)
(for the Six Months Ended September 30, 2006)

November 10, 2006

Electric Power Development Co., Ltd. (J-POWER)

Address : 15-1, Ginza 6-chome, Chuo-ku, Tokyo

Listed Exchange : Tokyo Stock Exchange 1st Section

Code No. : 9 5 1 3

(URL <http://www.jpowers.co.jp/>)

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Adoption of US Accounting Standards: None

1. Business Performance (From April 1, 2006 to September 30, 2006)

(1) Results of Operations (Rounded down to the nearest million yen)

| | Operating Revenues | Operating Income | Ordinary Income |
|-------------------------------|----------------------|----------------------|----------------------|
| | Unit : million yen % | Unit : million yen % | Unit : million yen % |
| Six months ended Sep.30, 2006 | 277,007 (Δ 9.3) | 44,073 (Δ19.1) | 37,261 (Δ 2.5) |
| Six months ended Sep.30, 2005 | 305,417 (4.6) | 54,506 (Δ22.7) | 38,235 (Δ16.4) |
| Year ended Mar.31, 2006 | 621,933 | 101,469 | 67,906 |

| | Net Income | Net Income per Share | Fully Diluted Net Income per Share |
|-------------------------------|----------------------|----------------------|------------------------------------|
| | Unit : million yen % | yen | yen |
| Six months ended Sep.30, 2006 | 23,621 (Δ 0.7) | 141.82 | — |
| Six months ended Sep.30, 2005 | 23,790 (Δ19.6) | 171.39 | — |
| Year ended Mar.31, 2006 | 43,577 | 260.76 | — |

(Notes)

① Investment profit and loss in the equity method :

Six months ended Sep.30, 2006 : 2,239 million yen

Six months ended Sep.30, 2005 : 386 million yen

Year ended Mar.31, 2006 : 2,042 million yen

② Average number of shares outstanding :

Six months ended Sep.30, 2006 : 166,561,013 shares

Six months ended Sep.30, 2005 : 138,807,357 shares

Year ended Mar.31, 2006 : 166,568,526 shares

Effective March 1, 2006, the company carried out a 1.2-for-1 stock split. Note that the net income per share for the six months ended Sep. 30, 2005 would have been 142.82 yen based on the assumption that the above mentioned stock split was carried out at the beginning of that year.

③ Changes in accounting methods : None

④ Figures in brackets are changes in percentage from the previous periods.

(2) Financial Position (Rounded down to the nearest million yen)

| | Total Assets | Net Assets | Equity Ratio | Net Assets per Share |
|-------------------------------|--------------------|--------------------|--------------|----------------------|
| | Unit : million yen | Unit : million yen | % | yen |
| Six months ended Sep.30, 2006 | 1,980,674 | 449,527 | 22.6 | 2,692.87 |
| Six months ended Sep.30, 2005 | 1,996,984 | 410,371 | 20.5 | 2,956.42 |
| Year ended Mar.31, 2006 | 1,964,667 | 433,028 | 22.0 | 2,598.90 |

(Notes)

① Number of shares outstanding :

Six months ended Sep.30, 2006 : 166,559,661 shares

Six months ended Sep.30, 2005 : 138,807,201 shares

Year ended Mar.31, 2006 : 166,564,692 shares

Effective March 1, 2006, the company carried out a 1.2-for-1 stock split. Net Assets per share as of the end of the six months ended Sep.30, 2005 would have been 2,463.68 yen based on the assumption that the above mentioned stock split was carried out at the beginning of that year.

② Figures shown for Net Assets, Equity Ratio, and Net Assets per Share for the six months ended Sep.30, 2005, and year ended March 31, 2006, are presented in the previous format.

(3) Statements of Cash Flows

(Rounded down to the nearest million yen)

| | Cash Flows from Operating Activities | Cash Flows from Investing Activities | Cash Flows from Financing Activities | Cash and Cash Equivalents at end of period |
|-------------------------------|--|--|--|--|
| | Unit : million yen | Unit : million yen | Unit : million yen | Unit : million yen |
| Six months ended Sep.30, 2006 | 72,678 | △74,130 | △ 2,017 | 31,072 |
| Six months ended Sep.30, 2005 | 77,335 | △22,483 | △ 47,942 | 37,674 |
| Year ended Mar.31, 2006 | 173,954 | △72,326 | △103,613 | 28,874 |

(4) Scope of Consolidation and Application of Equity Method

Number of consolidated subsidiaries : 54

Number of non-consolidated subsidiaries accounted for by the equity method : 0

Number of affiliates accounted for by the equity method : 33

(5) Changes in Scope of Consolidation and Application of Equity Method

Consolidated (New) : 34 (Exception) : 0

Equity Method (New) : 7 (Exception) : 0

2. Forecast for the Year Ending March 31, 2007 (From April 1, 2006 to March 31, 2007)

| | Operating Revenues | Ordinary Income | Net Income |
|--------|-------------------------------|------------------------------|------------------------------|
| Annual | Unit : million yen 564,000 | Unit : million yen 52,000 | Unit : million yen 33,000 |

(Reference) Projected net income per share (Annual) : 198.13 yen

Forward-Looking Statements

The earnings forecasts above are based on various estimates and assumptions. Accordingly, there can be no assurance or guarantee that the future estimated figures mentioned here will actually be achieved.

Corporate Group

The J-POWER Group is comprised of J-POWER (Electric Power Development Co., Ltd.), 56 subsidiaries, and 47 affiliated companies (as of September 30, 2006). Its business comprises of “Electric Power Business” as the main business. “Electric power-related businesses” which complement and contribute to the smooth and efficient implementation of the electric power business and “Other Businesses” which utilize the management resources and expertise of the J-POWER Group.

Starting with the current consolidated interim period, as part of our efforts to enhance the disclosure of information, we have reorganized the electric power business and other businesses, the two existing segments, into the three segments of electric power business, Electric power-related businesses, and Other Businesses.

The following three business segments are consistent with the business segment classifications in the section titled Segment Information.

Electric Power

J-POWER is engaged in a wholesale power business involving the supply of electricity to Japan’s ten EPCOs, the regional general electric utilities that supply electricity to general retail customers, from the hydroelectric, thermal and other types of power plants owned by the company. In addition, we are engaged in power consignment, which involves providing transmission and transformation facilities that J-POWER owns to nine EPCOs, the exception being Okinawa Electric Power Co., Inc. The main features of each type of facility are as follows.

Hydroelectric generation: Following the Company’s establishment, we developed large-scale hydroelectric power plants. We own hydroelectric power generation facilities with a total generation capacity of 8,556MW. These facilities are capable of handling changes in power demand rapidly. Consequently, they are used primarily during the daytime when there is an increase in power demand.

Thermal generation: We specialize in coal-fired thermal power, and own the largest coal-fired thermal power facilities in Japan, with a total generation capacity of 7,812MW. Due to the low cost per calorie of foreign coal relative to other fossil fuels and to its being used as the resource that supports the primary portion of power demand, we can say that facility usage efficiency is high and that it this is a highly economical source of electricity.

Transmission: We own trunk transmission lines (with a total length of 2,408 kilometers) that link the supply regions of the 9 EPCOs. These include lines between Hokkaido and Honshu, Honshu and Shikoku, and Honshu and Kyushu. We also own frequency converter station that links areas with differing frequencies Eastern and Western Japan.

In addition, J-POWER’s subsidiaries and affiliated companies are engaged in wind power generation, the wholesale supply of electric power to EPCOs by independent power producers, or IPPs, and the wholesale supply of electric power to companies that supply electricity to power producers and suppliers, or PPSs.

Principal subsidiaries:

Bay Side Energy Co., Ltd., Green Power Kuzumaki Co., Ltd., Green Power Setana Co., Ltd., Green Power Koriyama Nunobiki Co., Ltd., Dream-Up Tomamae Co., Ltd., Green Power Aso Co., Ltd., ITOIGAWA POWER Inc., Nagasaki-Shikamachi Wind Power Co., Ltd., Nikaho-kogen Wind Power Co., Ltd., J-Wind TAHARA Ltd., and Ichihara Power Co., Ltd.,

Electric power-related businesses

We are engaged in businesses that complement the electric power business and contribute to its smooth and efficient implementation.

Design, construction, and maintenance of facilities

Design, construction, inspection and maintenance, and repair of electric power facilities such as power plants, as well as port operation relating to fuel and coal ash

Fuel for power generation and materials supply

Coal mine development, coal importation and transportation

Services

Management of welfare facilities, computing services, etc.

Principal subsidiaries:

JPec Co., Ltd., JPHYTEC Co., Ltd., Kaihatsu Denshi Gijutsu Co., Ltd., EPDC CoalTech and Marine Co., Ltd., Kaihatsu Sekkei Consultant Co., Ltd., J-POWER RESOURCES Co., Ltd., J-POWER AUSTRALIA PTY. LTD., JP Business Service Corporation, and J-POWER EnTech Co.,Inc.

Other Businesses

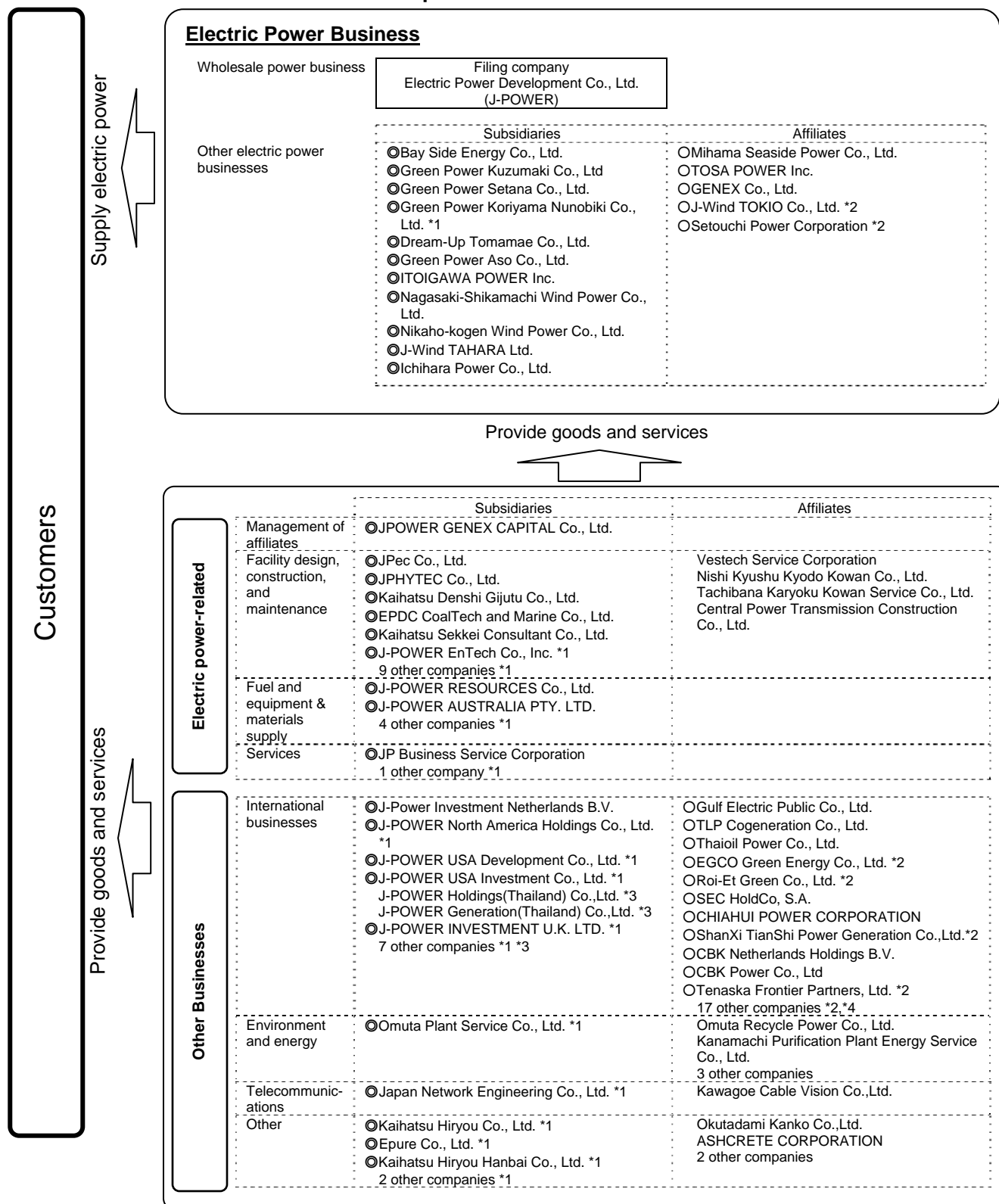
Utilizing the group's management resources and expertise, J-POWER Group is engaged in the business of investing in overseas power generation, new power businesses in Japan such as waste-fueled power generation and co-generation, environmental businesses, telecommunications businesses, and domestic and overseas engineering and consulting.

Principal subsidiaries:

Japan Network Engineering Co., Ltd., J-Power Investment Netherlands B.V., J-POWER North America Holdings Co., Ltd., and J-POWER USA Investment Co., Ltd.

The following diagram illustrates the business structure of the J-POWER Group.

Business Structure of J-POWER Group



◎ Consolidated subsidiary ○ Equity method affiliate No indicator: Non-equity method affiliate

Note: Companies that operate businesses in several business segments are listed in their main business segment.

*1 The company has been included in the scope of consolidation since the beginning of the current consolidated interim period. Consequently, from the current fiscal year, all subsidiaries are included in the scope of consolidation.

*2 The equity-method has been applied to the company since the beginning of the current consolidated interim period.

*3 A subsidiary established in September 2006 will be included as a consolidated subsidiary beginning with the third quarter of the fiscal year ending in March 2007 due to the disparity in accounting period.

*4 17 other international business affiliates will all be equity method affiliates. (This includes one equity method affiliate starting with the current interim accounting period).

The following changes occurred in the principal affiliated companies during the interim accounting period of the fiscal year ending March 31, 2007.

1. Consolidated subsidiaries

Recognizing the added importance of consolidated results to the Group, we have undertaken a full-scope consolidation of our subsidiaries beginning with the current interim accounting period that includes a total of 34 companies, 25 of which were non-consolidated subsidiaries until the end of the previous accounting period, as well as J-Power USA Investment Co., Ltd., which we established in conjunction with the equity acquisition of the Tenaska Frontier Power (in the U.S.) in May, 2006 along with 7 other companies, and Kaihatsu Hiryou Hanbai Co., Ltd., which became a subsidiary of ours through business acquisition in September 2006.

Although J-POWER Holdings (Thailand) Co., Ltd., which we established in September 2006, and another company became subsidiaries of ours as of September 30, 2006, they were added to our affiliated companies from the third quarter of the March 2007 fiscal year because the interim balance sheet date for the 2 companies was different from the interim balance sheet date.

2. Equity method affiliates

Starting with the current interim accounting period, we have added a total of 7 companies as equity method affiliates to our group, including J-Wind TOKIO Co. Ltd., Setouchi Power Corporation, ShanXi TianShi Power Generation Co., Ltd., EGCO Green Energy Co., Ltd., Roi-Et Green Co., Ltd., Tenaska Frontier Partners Ltd., and another company.

Management Policies

1. Basic Management Policies

Underlying our efforts is our corporate philosophy “to aim to ensure constant supplies of energy to contribute to the sustainable development of Japan and the rest of the world. “

As the business environment becomes increasingly challenging in the wake of structural reform in the electric power industry, J-POWER is pursuing stable growth in our domestic electric power business and striving for steady development in our overseas power generation business as well as new businesses to make J-POWER a company whose steady growth is attractive to its stakeholders.

J-POWER is committed to ethical and transparent management, to increasing our corporate value, and to meeting the expectations of our diverse stakeholders by pursuing the goals stated above.

2. Basic Policy on Profit Distribution

Recognizing that it is necessary to continue to increase our financial strength, J-POWER, while adhering to a basic policy of reducing interest-bearing liabilities through enhancing our retained earnings, will allocate our internal reserves appropriately to new investments in businesses for the growth of the company.

We attach the greatest importance to continuing to pay stable dividends to our shareholders as a reflection of the results of our efforts to achieve medium-to-long-term growth in profits.

3. Business Environment and Current Challenges

(1) Business Environment in which the J-POWER Group Operates

J-POWER achieved the listing of its shares on the First Section of the Tokyo Stock Exchange during fiscal year 2004, and has since worked to strengthen its business foundations and expand its businesses with the goal of stable long-term growth.

In fiscal year 2005, competition in the electric power industry became increasingly intense, as the government expanded the scope of deregulation in the retail electricity supply, and the Japan Electric Power Exchange commenced operation.

Adapting to this business environment, the J-POWER Group is implementing its plans as described below.

(2) Pursuing Stable Growth in the Domestic Electricity Business

In the wholesale electric power business, which is the main domain of J-POWER's business, we are working to increase earning power by rigorously improving the competitiveness of our existing operating facilities by reducing various costs, taking into account the changes occurring in the business environment. While continuing to strive for cost reductions and structural improvements in the future, we are pursuing growth by improving management efficiency through the rigorous reinforcement of marketing focused on wholesale business to power companies and improvements in maintaining the competitiveness of existing power sources from a long-term perspective.

Regarding our new facilities, construction work began in fiscal year 2005 on the Isogo New No. 2 thermal power plant (located in Kanagawa Prefecture and scheduled to commence commercial operation in July 2009, with a capacity of 600,000 kW). In addition, we are currently undergoing government safety inspections to pave the way for the start of construction of the Ohma nuclear power plant in March 2007 (located in Aomori Prefecture and scheduled to commence commercial operation in March 2012, with a capacity of 1,383,000 kW). For these large-scale capital projects, we will strive to adhere to construction schedules and restrain construction costs, while properly allocating cash flows.

In response to the deregulation of the electric power industry, J-POWER has engaged in the wholesale electricity supply business for electric power companies through IPPs (independent

power producers) (three projects with a total capacity of 520,000 kW), as well as the wholesale electricity supply business for PPSs (power producers and suppliers) (three projects with a total capacity of 320,000 kW). In addition, J-POWER engages in transactions on wholesale electricity exchange markets, such as the Japan Electric Power Exchange, which commenced operation in fiscal year 2005.

(3) Steady Progress of Overseas Power Generation Business and New Businesses

In J-POWER's overseas power generation business, we are involved in fifteen IPP projects in six countries and regions centering on Asia, where there is projected high growth in demand for electric power. Thirteen of these fifteen IPP projects are already in commercial operation (with a total capacity of 3,670,000 kW). In the future, we will strive to make overseas power-generation business a next major business domain and a full-fledge earning contributor, while implementing proper risk management.

As part of our efforts to develop new businesses, J-POWER has been working on the development of wind energy. We have at present eight wind power-generation plants in commercial operation and one under construction, which together provide a capacity of 210,000 kW. In order to ensure harmony between energy and the environment in our other businesses, we will aim to create new earnings bases by capitalizing on the J-POWER Group's core competencies in business and technology that we have cultivated in Japan and overseas over the past half century.

(4) Response to Global Warming Issues

As a company which owns a number of coal-fired thermal power plants, J-POWER is actively implementing a wide range of measures to address global warming issues. In the development of coal gasification technology, both to strengthen our competitive edge in our electric power businesses as well as to reduce CO₂ emissions, we expect to complete a pilot test in fiscal year 2006, after which we will move towards commercialization of the technology. In addition to the Ohma Nuclear Power Plant construction project, which will provide power without emitting CO₂ during the power-generation process, we have embarked upon projects that involve power generation from wind and waste materials. We have also been pursuing initiatives overseas, such as the development of projects in anticipation of the emergence of flexible measures (such as JI, CDM and others)* that were adopted in the Kyoto Protocol.

* The Joint Implementation is a mechanism that allows advanced countries to jointly implement projects to reduce emissions, or remove carbon from the atmosphere and for the investing countries to earn credits from the emission reductions to help achieve their numerical targets.

* The Clean Development Mechanism allows advanced and developing countries to jointly implement projects to reduce greenhouse gases in the developing country and for the advanced country to earn credits for a portion of the reductions achieved.

(5) Management Targets

J-POWER has established a "J-POWER Group Management Plan for Fiscal Year 2006" which outlines the goals and measures we are undertaking as described in sections (2) to (4) above. Based on this plan, the J-POWER Group intends to work to increase our corporate value in a sustained manner by increasing our earnings power through rigorous measures to improve management efficiency and by developing businesses in areas with growth potential.

- Consolidated ordinary income: Over 55.0 billion yen (three-year average for fiscal years 2005 through 2007)
- Consolidated equity ratio: Over 23% (as of the end of fiscal year 2007)

4. Matters Related to the Parent Company

J-POWER does not have a parent company.

Operating Results and Financial Standing

1. Operating Results

(1) Overview of the Current Interim Period

1) Electric Power Sales Volume

The demand for electric power in Japan during the current interim accounting period surpassed the previous half-year's results thanks to a noticeable increase in heating and cooling demand due to the effects of temperature as well as large-load power for industrial demand remaining above the previous year's results for all leading industries.

Electricity sales volume for hydroelectric and thermal power combined in J-POWER's wholesale electric power business during the current interim accounting period declined 7.3% in hydroelectric and thermal power combined compared to the previous interim accounting period, to 28.5 billion kWh. This was due to the fact that, while water power was abundant (with a water flow rate that grew from 92% to 117%) for the current interim accounting period as compared to the drought conditions of the previous interim accounting period, with a 32.4% increase over the previous interim accounting period to 6.8 billion kWh, thermal power experienced a 15.4% decline compared to the previous interim accounting period to 21.7 billion kWh as the result of a drop in operating levels due to periodic inspections.

And while there was an increase due to full year operations at Green Power Setana Co., Ltd., the volume of electric power sales at our other electric power businesses was down 5.1% compared the previous interim accounting period, to 0.8 billion kWh, as the result of a decline in the operating level at ITOIGAWA POWER Inc. and others, and fell 7.3% compared to the previous interim accounting period in the electric power business overall, to 29.3 billion kWh.

2) Overview of Income and Expenditures

Sales (operating income) during the current interim accounting period were down 9.3% relative to the previous interim accounting period, at 277.0 billion yen, due to revisions in hydroelectric power and transmission contract rates for our wholesale electric power business that went into effect after October 2005 and a reduction in operating levels owing to periodic inspections at our thermal power plants, and ordinary revenue including non-operating income was down 8.3% compared to the previous interim accounting period, at 282.7 billion yen.

On the other hand, operating expenses decreased 7.2% in comparison to the previous interim accounting period, to 232.9 billion yen, as a result of the decline in fuel costs stemming from lower operating levels at our thermal power plants and a decrease in depreciation costs. In addition, non-operating expenses fell by 34.7% in comparison to the previous interim accounting period, to 12.5 billion yen, because of a fall in interest expenses and other factors, accordingly midterm ordinary expenses were 9.1% lower in comparison to the previous interim accounting period, at 245.4 billion yen.

As a result, operating income at midterm was 37.3 billion yen, a 2.5% decline compared to the previous interim accounting period, After the provision for the reserve for fluctuation in water levels from the high mater flows , midterm net income dropped 0.7% in comparison to the previous interim accounting period, to 23.6 billion yen.

Our overview of income and expenditures by business segment during the current interim accounting period is summarized below.

(Electric Power Business)

Lower operating levels resulting from periodic inspections at thermal power plants in (J-POWER) wholesale electric power business led to a 10.2% decline in operating revenue in the "Electric Power Business" during the current interim accounting period, to 257.9 billion yen, compared to previous interim period.

On the other hand, operating expenses in the "Electric Power Business" were down 8.2% compared to the previous interim accounting period, to 211.6 billion yen, as a result of reduced

operating levels at thermal power plants and a downturn in fuel costs and depreciation expense.

(Electric Power Related Business)

Thanks to the sales of JM Activated Coke, Inc, which was newly consolidated starting with the current interim accounting period, "Electric Power Related Business" accounted for 12.5 billion yen of the other operating revenues during the current interim accounting period, for an 4.2% increase over the previous period.

"Electric Power Related Business", on the other hand, accounted for 14.3 billion yen of the other operating expenses, for a 1.0% increase over the previous period due to increase in sale to outside the group by consolidated subsidiaries.

(Other Businesses)

Thanks to the sales of Japan Network Engineering Co.,Ltd., which was newly consolidated starting with the current interim accounting period, "Other Businesses" accounted for 6.6 billion yen of the other operating revenues during the current interim accounting period, for an 5.4% increase over the previous year.

On the other hand, "Other Businesses" accounted for 7.0 billion yen of the other operating expenses, for an 13.0% increase over the previous year due to an increase of sales to outside the group by consolidated subsidiaries.

3) Dividends

A midterm dividend of 30 yen per share was decided upon at the meeting of the Board of Directors convened on this date.

(2) Outlook for the full fiscal year

For electric power sales volume, the company forecasts a 25.8% year-on-year increase in thermal power sales, to 10.8 billion kWh, and a 15.6% year-on-year decrease in hydroelectric power sales, to 45.6 billion kWh, for the full fiscal year.

For sales on a consolidated basis, the company forecasts a 9.3% decline from the previous fiscal year, to 564.0 billion yen and non-consolidated sales are expected to decline year-on-year by 10.2%, to 508.0 billion yen, while ordinary income on a consolidated basis is expected to drop 23.4% from the previous fiscal year to 52.0 billion yen, and ordinary income on a non-consolidated basis is forecast to be 38.0 billion yen, in a 25.8% decline year-on-year.

2. Financial Standing

(1) Condition of Assets, Liabilities and Net Assets

While fixed assets declined in value as a result of depreciation, capital investment for construction at the Isogo New No. 2 Thermal Power Plant and the Ohma Nuclear Power Plant led to an 11.8 billion yen increase in assets from the end of the preceding fiscal year, to 1.8397 trillion yen. With the addition of liquid assets to this, total assets increased by 16.0 billion yen from the end of the current interim accounting period to a total of 1.9807 trillion yen.

Liabilities, on the other hand, rose by 0.7 billion yen since the end of the previous accounting period due to the acceleration of corporate debentures, and total liabilities at the end of the current interim accounting period stood at 1.5311 trillion yen. Among these, interest-bearing debt rose 7.4 billion yen since the end of the previous fiscal year to 1.4156 trillion yen.

Total Net Assets at the end of the current accounting period also increased in value by 15.3 billion yen (*) from the end of the previous fiscal year, to 449.5 billion yen.

Note: Due to a change in the way net assets are presented on the balance sheet, the increase in total net assets is now compared against the combined value of shareholder's equity and minority interests at the end of the previous accounting period.

(2) Status of Consolidated Cash Flows

The balance of cash and cash equivalents at the end of the current midterm consolidated accounting period, accounted for by 72.7 billion yen in cash receipts from operating activities, investment activities including the acquisition of fixed assets creating an outflow of 74.1 billion yen, financial activities necessitating an outflow of 2.0 billion yen, a 28.9 billion yen balance at the end of the previous consolidated fiscal year and the change in the scope of consolidation that led to an increase of 5.7 billion yen, represents a balance of 31.1 billion yen at the end of the current midterm consolidated accounting period.

(Cash flow from operating activities)

Net cash from operating activities was 72.7 billion yen, reflecting a downturn in receivables and other factors and a reduction of internal reserves for depreciation expense leading to a 4.7 billion yen decline compared to the previous interim accounting period.

(Cash flow from investment activities)

Net cash used in investment activities amounted to 74.1 billion yen, an amount 51.6 billion yen higher than the previous interim accounting period due to increased expenditures for construction at the Ohma Nuclear Power Plant and the acquisition of the Tenaska Frontier Power Plant in the United States.

(Cash flow from financing activities)

Net cash used in financing activities, while reflecting a reduction in borrowing, was down 45.9 billion yen to 2.0 billion yen, compared to the previous midterm consolidated accounting period, on the basis of a reduction in the redemption of corporate debentures.

(3) Trends in Cash Flow Indicators

| | Fiscal 2003 | Fiscal 2004 | Fiscal 2005 | Fiscal 2006 | Fiscal 2007 Interim |
|---------------------------------|-------------|-------------|-------------|-------------|---------------------|
| Equity ratio | 7.7% | 17.3% | 19.4% | 22.0% | 22.6% |
| Market value-based equity ratio | — | — | 22.7% | 31.6% | 35.4% |
| Debt repayment period | 11.3 years | 8.9 years | 8.7 years | 8.1 years | 9.7 years |
| Interest coverage ratio | 1.9 | 2.1 | 3.3 | 4.8 | 6.3 |

Notes: Equity ratio: Net assets / Total assets

Equity ratio at market value: Total shares at market value / Total assets

Debt repayment period: Interest-bearing liabilities / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

* Each indicator is calculated using financial figures on a consolidated basis.

* Interest-bearing liabilities include corporate bonds and long-term loans (both include those maturing within one year), as well as short-term loans and commercial paper. In addition, the calculation of interest payments is based on the amount of interest paid in accordance with the consolidated statement of cash flow.

* The market value-based equity ratio prior to the fiscal year ended March 31, 2004 has been omitted, due to the listing of the company's shares on the Tokyo Stock Exchange on October 6, 2004.

3. Business and Other Risks.

This section discusses the main potential risks related to J-POWER's financial position, business results, current and future business operations and other matters. From the perspective of actively disclosing information to investors, this section also provides information to help investors understand business and other risks that the company does not necessarily consider

significant. Statements about future matters are based on judgments at the time of this report's publication on November 10, 2006.

(1) Impact of Electric Power Deregulation on J-POWER's Prices and Business

J-POWER derives most of its operating revenues from wholesale power supply to Japan's 10 EPCOs. Amid deregulation in the retail power sector, the EPCOs have been reducing their retail electricity rates. However, because our fees are calculated on a fair cost plus fair return on capital basis, we are not directly affected by the reduction in retail electricity rates. Nevertheless, EPCOs have been calling for a reduction in our fees, and if further deregulation results in a significant reduction in our fees, it could potentially have a material adverse effect on the results of our operations.

Wholesale power trading on the Japan Electric Power Exchange commenced in April 2005. J-POWER is currently trading in the wholesale power markets. Although we do not expect a large amount of electricity to be traded on the exchange in the near term, an increase in the importance of exchange-traded power prices as a price indicator could potentially have an indirect effect on our fee levels. If the fees set in agreements between J-POWER and EPCOs are higher than price indicators, this could potentially have a material adverse effect on the results of our operations.

(2) Delay or Discontinue of Our Current Power Plant Construction

Lower growth in electricity demand in recent years has prompted EPCOs to postpone or cancel new power plant development and to shut down inefficient thermal power plants on a long term or permanent basis. We have also postponed the start of commercial operations or cancelled the planned construction of power plants to supply EPCOs based on consultations with our EPCO clients. The cancellation of construction plans as a result of major changes in the operating environment or unforeseen circumstances could potentially have a material adverse effect on our results of operations.

(3) Global Warming

J-POWER has a large number of coal-fired thermal power plants, which emit relatively high amounts of carbon dioxide with respect to power output compared to power plants that use LNG and other fossil fuels. We have taken several initiatives to tackle combat global warming both in Japan and overseas, but if the Japanese government establishes new regulations to achieve the greenhouse gas emission reduction targets in the Kyoto Protocol, which sets reduction targets for advanced countries and came into force in February 2005, this could potentially have a material adverse effect on our results of operations.

(4) New Electric Power Businesses and New Areas of Business

J-POWER is pursuing new initiatives both in Japan and overseas with the aim of creating new profit sources in new electric power businesses and new areas of business. However, these businesses may not generate the level of profits that we anticipate. Moreover, changes in our business plans or the suspension of operations could result in related expenses that could potentially have a material adverse effect on our results of operations. Overseas businesses also entail foreign exchange risk as well as country risk based on political instability and other factors.

(5) Raising Capital Funds

J-POWER expects it will need to raise a large amount of funds to build the Isogo New No. 2 thermal power plant and the Ohma nuclear power plant, which are scheduled to commence operations during the next ten years. If we are unable to raise the required funds on acceptable terms and in a timely manner due to the condition of financial markets, the company's credit situation, or other factors at that time, then this could potentially have a material adverse effect on our business development and profitability.

(6) Ohma Nuclear Power Plant Construction Project

J-POWER is currently undergoing government safety inspections preparatory to the start of construction of the Ohma Nuclear Power Plant (in Aomori Prefecture; scheduled to commence

commercial operation in March 2012 with a capacity of 1,383,000 kW). Although it is the intention of J-POWER to carry out the project as planned, any changes to the plan as a result of drastic changes in operating conditions, the occurrence of unforeseen events, or other factors could potentially affect the business performance of the company. In addition, the plan may be affected to a certain extent in the event of an accident involving a facility either in Japan or elsewhere, which could erode the confidence of society in nuclear power generation.

Nuclear power generation involves various risks, such as those associated with the storage and handling of radioactive materials, as well as those common to all types of power generation facilities, such as natural disasters and unforeseen accidents. J-POWER intends to ensure that these risks will be avoided or minimized after operation has commenced. However, in the event that any of these risks do materialize, it could adversely affect the business performance of the company.

(7) Coal-Fired Thermal Power Plant Fuel

J-POWER's coal-fired thermal power plants use imported coal as their main source of fuel, and fuel costs are affected by price fluctuations. Coal prices are reflected in our electricity fees for EPCOs on a cost basis. These fees are generally revised every two years, though they are subject to annual revision if costs change significantly. As a result, fluctuations in coal prices have a limited impact on earnings.

(8) Natural Disasters and Accidents

Should a natural disaster, human error, terrorist activity, fuel supply stoppage, or other unforeseen circumstance result in major trouble at one of J-POWER's power plants, transmission or substation facilities, or with the information systems that control operations at these facilities, this could potentially hamper our business operations and consequently have a material adverse effect on the surrounding environment as well as our results of operations.

(9) Regulatory Requirements

J-POWER operates its mainstay wholesale power business in accordance with the regulations in the Electricity Utilities Industry Law. In addition to this law, our business operations are subject to a variety of other laws. If we are unable to comply with these laws and regulations, or if these laws and regulations are revised, this could potentially have a material adverse effect on our business operations and earnings.

(10) Concentrated on a Limited Number of Customers

Sales to EPCOs account for the majority of J-POWER's operating revenues. We expect EPCOs to remain our most important customers going forward, and accordingly, our earnings could potentially be affected by EPCOs' market share trends in the retail electricity market.

INTERIM CONSOLIDATED BALANCE SHEET

(Unit: millions of yen)

| | As of Sep.30,2006 | As of Mar. 31, 2006 | Increase / decrease | As of Sep.30,2005 |
|---|----------------------|------------------------|------------------------|----------------------|
| (Assets) | | | | |
| Property, Plant and Equipment | 1,839,669 | 1,827,868 | 11,800 | 1,848,467 |
| Power plants | 1,389,001 | 1,438,443 | △ 49,442 | 1,493,577 |
| Hydroelectric power production facilities | 471,378 | 481,068 | △ 9,690 | 487,847 |
| Thermal power production facilities | 584,586 | 613,349 | △ 28,762 | 651,256 |
| Internal combustion power generation facilities | 16,205 | 16,931 | △ 726 | 17,733 |
| Transmission facilities | 249,606 | 257,253 | △ 7,646 | 265,110 |
| Transformation facilities | 37,149 | 38,605 | △ 1,455 | 39,884 |
| Communication facilities | 8,460 | 9,170 | △ 709 | 9,373 |
| General facilities | 21,614 | 22,065 | △ 451 | 22,370 |
| Other property, plant & equipment | 59,437 | 28,336 | 31,100 | 26,278 |
| Construction in progress | 235,101 | 199,524 | 35,577 | 177,331 |
| Investments and other assets | 156,128 | 161,564 | △ 5,435 | 151,279 |
| Long-term investments | 109,805 | 114,600 | △ 4,795 | 100,201 |
| Deferred tax assets | 42,525 | 42,944 | △ 419 | 46,964 |
| Other investments | 3,928 | 4,018 | △ 90 | 4,114 |
| Allowance for doubtful accounts | △ 130 | △ 0 | △ 129 | △ 0 |
| Current assets | 141,004 | 136,798 | 4,206 | 148,516 |
| Cash and bank deposits | 31,626 | 28,961 | 2,664 | 37,805 |
| Notes and accounts receivable | 51,682 | 56,484 | △ 4,802 | 56,696 |
| Short-term investments | 559 | 1,556 | △ 996 | 739 |
| Inventories | 21,197 | 18,160 | 3,037 | 17,287 |
| Deferred tax assets | 4,735 | 5,635 | △ 900 | 5,220 |
| Other current assets | 31,230 | 25,999 | 5,230 | 30,767 |
| Allowance for doubtful accounts | △ 26 | — | △ 26 | △ 0 |
| Total Assets | 1,980,674 | 1,964,667 | 16,006 | 1,996,984 |

(Note) Figures less than one million yen have been rounded off.

(Unit: millions of yen)

| | As of Sep.30,2006 | As of Mar. 31, 2006 | Increase / decrease | As of Sep.30,2005 |
|--|----------------------|------------------------|------------------------|----------------------|
| (Liabilities and Net Assets) | | | | |
| Long-term liabilities | 1,232,485 | 1,215,033 | 17,452 | 1,273,296 |
| Bond | 546,157 | 521,684 | 24,473 | 571,834 |
| Long-term loans | 638,175 | 644,340 | △ 6,165 | 642,380 |
| Accrued employee retirement benefits | 34,214 | 36,233 | △ 2,018 | 45,606 |
| Other allowances | 430 | 417 | 12 | 387 |
| Deferred tax liabilities | 601 | 602 | △ 0 | 585 |
| Other long-term liabilities | 12,906 | 11,756 | 1,150 | 12,503 |
| Current liabilities | 296,775 | 313,999 | △ 17,224 | 310,500 |
| Current portion of long-term debt and other | 141,467 | 106,772 | 34,695 | 95,061 |
| Short-term loans | 19,869 | 24,436 | △ 4,566 | 44,200 |
| Commercial paper | 69,977 | 111,000 | △ 41,022 | 106,000 |
| Notes and accounts payable | 11,989 | 9,936 | 2,053 | 8,946 |
| Income and other taxes payable | 15,167 | 20,867 | △ 5,699 | 23,208 |
| Other allowances | 409 | 273 | 135 | 318 |
| Other current liabilities | 37,893 | 40,713 | △ 2,820 | 32,766 |
| Reserves under special laws | 1,886 | 1,399 | 487 | 1,725 |
| Reserve for fluctuation in water levels | 1,886 | 1,399 | 487 | 1,725 |
| Total liabilities | 1,531,147 | 1,530,432 | 714 | 1,585,522 |
| (Net Assets) | | | | |
| Shareholders' equity | 438,406 | — | 438,406 | — |
| Common stock | 152,449 | — | 152,449 | — |
| Capital surplus | 81,849 | — | 81,849 | — |
| Retained earnings | 204,145 | — | 204,145 | — |
| Treasury stock | △ 38 | — | △ 38 | — |
| Valuation and translation adjustments | 10,116 | — | 10,116 | — |
| Unrealized gain on other securities | 13,081 | — | 13,081 | — |
| Deferred hedging gain or loss | △ 5,014 | — | △ 5,014 | — |
| Foreign currency translation adjustments | 2,049 | — | 2,049 | — |
| Minority interests | 1,003 | — | 1,003 | — |
| Total net assets | 449,527 | — | 449,527 | — |
| (Minority interests) | | | | |
| Minority interests | — | 1,206 | △ 1,206 | 1,089 |
| (Shareholders' equity) | | | | |
| Common stock | — | 152,449 | △ 152,449 | 152,449 |
| Capital surplus | — | 81,849 | △ 81,849 | 81,849 |
| Retained earnings | — | 182,760 | △ 182,760 | 167,137 |
| Unrealized gain on other securities | — | 14,050 | △ 14,050 | 8,953 |
| Foreign currency translation adjustments | — | 1,935 | △ 1,935 | △ 15 |
| Treasury stock | — | △ 17 | 17 | △ 2 |
| Total shareholders' equity | — | 433,028 | △ 433,028 | 410,371 |
| Total Liabilities and Net Assets | 1,980,674 | 1,964,667 | 16,006 | 1,996,984 |

(Note) Figures less than one million yen have been rounded off.

INTERIM CONSOLIDATED STATEMENTS OF INCOME

(Unit: millions of yen)

| | Six months ended Sep.30,2006 | Six months ended Sep.30,2005 | Increase / decrease | Year ended Mar. 31, 2006 |
|--|------------------------------------|------------------------------------|------------------------|-----------------------------|
| (Revenues) | | | | |
| Operating revenues | 277,007 | 305,417 | △ 28,409 | 621,933 |
| Electric power | 257,925 | 287,175 | △ 29,250 | 573,198 |
| Other | 19,082 | 18,241 | 841 | 48,734 |
| Non-operating revenues | 5,649 | 2,800 | 2,848 | 7,620 |
| Dividend income | 900 | 1,341 | △ 441 | 1,937 |
| Interest income | 416 | 328 | 87 | 711 |
| Equity income of affiliates | 2,239 | 386 | 1,853 | 2,042 |
| Other | 2,093 | 744 | 1,349 | 2,928 |
| Total Ordinary Revenues | 282,657 | 308,217 | △ 25,560 | 629,553 |
| (Expenses) | | | | |
| Operating expenses | 232,933 | 250,910 | △ 17,976 | 520,464 |
| Electric power | 211,603 | 230,531 | △ 18,928 | 469,720 |
| Other | 21,330 | 20,378 | 951 | 50,744 |
| (Operating income) | (44,073) | (54,506) | (△ 10,432) | (101,469) |
| Non-operating expenses | 12,461 | 19,072 | △ 6,610 | 41,182 |
| Interest expenses | 11,023 | 17,296 | △ 6,273 | 35,732 |
| Other | 1,438 | 1,775 | △ 336 | 5,449 |
| Total Ordinary Expenses | 245,395 | 269,982 | △ 24,586 | 561,646 |
| Ordinary income | 37,261 | 38,235 | △ 973 | 67,906 |
| (Provision for) reversal of reserve for fluctuation in water levels | 487 | △ 73 | 560 | △ 399 |
| Income before income taxes and minority interests | 36,774 | 38,308 | △ 1,533 | 68,305 |
| Income taxes - current | 10,794 | 16,814 | △ 6,020 | 26,151 |
| Income taxes - deferred | 2,671 | △ 2,244 | 4,916 | △ 1,488 |
| Minority interests or losses | △ 312 | △ 51 | △ 260 | 65 |
| Net income | 23,621 | 23,790 | △ 168 | 43,577 |

(Note) Figures less than one million yen have been rounded off.

Interim Consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2006 to September 30, 2006)

(Unit: millions of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at March 31, 2006 | 152,449 | 81,849 | 182,760 | △ 17 | 417,042 |
| Changes during the period | | | | | |
| Dividends on retained earnings | — | — | △ 4,996 | — | △ 4,996 |
| Bonuses to directors and statutory auditors | — | — | △ 161 | — | △ 161 |
| Net income | — | — | 23,621 | — | 23,621 |
| Increase in retained earnings due to increase in consolidated subsidiaries | — | — | 4,533 | — | 4,533 |
| Decrease in retained earnings due to increase in consolidated subsidiaries | — | — | △ 1,671 | — | △ 1,671 |
| Increase due to the addition of affiliates accounted for by the equity method | — | — | 66 | — | 66 |
| Decrease due to the addition of affiliates accounted for by the equity method | — | — | △ 6 | — | △ 6 |
| Acquisition of treasury stock | — | — | — | △ 21 | △ 21 |
| Changes in items other than shareholders' equity (net) | — | — | — | — | — |
| Total | — | — | 21,385 | △ 21 | 21,363 |
| Balance at September 30, 2006 | 152,449 | 81,849 | 204,145 | △ 38 | 438,406 |

(Unit: millions of yen)

| | Valuation and translation adjustments | | | | Minority interests | Total Net Assets |
|---|---------------------------------------|-------------------------------|--|---|--------------------|------------------|
| | Unrealized gain on other securities | Deferred hedging gain or loss | Foreign currency translation adjustments | Total valuation and translation adjustments | | |
| Balance at March 31, 2006 | 14,050 | — | 1,935 | 15,985 | 1,206 | 434,234 |
| Changes during the period | | | | | | |
| Dividends on retained earnings | — | — | — | — | — | △ 4,996 |
| Bonuses to directors and statutory auditors | — | — | — | — | — | △ 161 |
| Net income | — | — | — | — | — | 23,621 |
| Increase in retained earnings due to increase in consolidated subsidiaries | — | — | — | — | — | 4,533 |
| Decrease in retained earnings due to increase in consolidated subsidiaries | — | — | — | — | — | △ 1,671 |
| Increase due to the addition of affiliates accounted for by the equity method | — | — | — | — | — | 66 |
| Decrease due to the addition of affiliates accounted for by the equity method | — | — | — | — | — | △ 6 |
| Acquisition of treasury stock | — | — | — | — | — | △ 21 |
| Changes in items other than shareholders' equity (net) | △ 968 | △ 5,014 | 114 | △ 5,868 | △ 202 | △ 6,071 |
| Total | △ 968 | △ 5,014 | 114 | △ 5,868 | △ 202 | 15,292 |
| Balance at September 30, 2006 | 13,081 | △ 5,014 | 2,049 | 10,116 | 1,003 | 449,527 |

(Note) Figures less than one million yen have been rounded off.

INTERIM CONSOLIDATED STATEMENT OF RETAINED EARNINGS

(Unit: millions of yen)

| | Six months ended Sep.30,2005 | Year ended Mar. 31, 2006 |
|--|------------------------------------|-----------------------------|
| (Capital surplus) | | |
| Capital surplus at beginning of year | 81,849 | 81,849 |
| Capital surplus at end of interim period | 81,849 | 81,849 |
| (Retained earnings) | | |
| Retained earnings at beginning of year | 152,121 | 152,121 |
| Increase in retained earnings | 23,977 | 43,764 |
| Net income | 23,790 | 43,577 |
| Increase due to the addition of affiliates accounted for by the equity method | 187 | 187 |
| Decrease in retained earnings | 8,960 | 13,125 |
| Dividends | 8,328 | 12,492 |
| Bonuses to directors and statutory auditors | 162 | 162 |
| Decrease in retained earnings due to increase in consolidated subsidiaries | 400 | 400 |
| Decrease due to the addition of affiliates accounted for by the equity method | 69 | 69 |
| Retained earnings at end of period | 167,137 | 182,760 |

(Note) Figures less than one million yen have been rounded off.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unit: millions of yen)

| | Six months ended Sep.30,2006 | Six months ended Sep.30,2005 | Increase / Decrease | Year ended Mar. 31, 2006 |
|---|------------------------------------|------------------------------------|------------------------|-----------------------------|
| Cash flows from operating activities: | | | | |
| Income before income taxes and minority interests | 36,774 | 38,308 | △ 1,533 | 68,305 |
| Depreciation | 61,286 | 67,154 | △ 5,868 | 135,019 |
| Loss on impairment of fixed assets | — | 123 | △ 123 | 729 |
| Loss on disposal of property, plant and equipment | 632 | 621 | 11 | 2,735 |
| (Decrease) in accrued employee's retirement benefits | △ 2,473 | △ 123 | △ 2,350 | △ 9,495 |
| (Decrease) increase in reserve for fluctuation in water levels | 487 | △ 73 | 560 | △ 399 |
| Interest and dividends | △ 1,316 | △ 1,670 | 353 | △ 2,649 |
| Interest expenses | 11,023 | 17,296 | △ 6,273 | 35,732 |
| (Increase) decrease in notes and accounts receivable | 6,848 | △ 2,621 | 9,470 | △ 3,244 |
| (Increase) in inventories | △ 2,700 | △ 4,220 | 1,519 | △ 5,080 |
| (Decrease) in notes and accounts payable | △ 4,403 | △ 10,781 | 6,378 | △ 1,810 |
| Investment (profit) on equity method | △ 2,239 | △ 386 | △ 1,853 | △ 2,042 |
| Others | △ 5,504 | 5,203 | △ 10,708 | 15,820 |
| Sub-total | 98,415 | 108,833 | △ 10,417 | 233,621 |
| Interest and dividends received | 1,562 | 1,579 | △ 17 | 2,606 |
| Interest paid | △ 11,482 | △ 18,529 | 7,047 | △ 36,472 |
| Income taxes paid | △ 15,817 | △ 14,546 | △ 1,270 | △ 25,800 |
| Net cash provided by operating activities | 72,678 | 77,335 | △ 4,657 | 173,954 |
| Cash flows from investing activities: | | | | |
| Payments for purchase of property, plant and equipment | △ 47,473 | △ 22,048 | △ 25,425 | △ 68,449 |
| Proceeds from constructions grants | 4,929 | 4,467 | 461 | 7,881 |
| Proceeds from sales of property, plant and equipment | 455 | 1,003 | △ 547 | 1,396 |
| Payments for investments and advances | △ 32,622 | △ 5,508 | △ 27,113 | △ 14,180 |
| Proceeds from collections of investments and advances | 972 | 1,392 | △ 420 | 2,931 |
| Proceeds from increase of cash and cash equivalents due to acquisition of an subsidiary | 24 | — | 24 | — |
| Others | △ 417 | △ 1,789 | 1,372 | △ 1,905 |
| Net cash used in investing activities | △ 74,130 | △ 22,483 | △ 51,647 | △ 72,326 |
| Cash flows from financing activities: | | | | |
| Proceeds from issuance of bonds | 59,753 | 99,584 | △ 39,831 | 149,360 |
| Redemption of bonds | △ 28,917 | △ 135,420 | 106,502 | △ 234,090 |
| Proceeds from long-term loans | 31,000 | 21,187 | 9,812 | 131,587 |
| Repayment of long-term loans | △ 13,507 | △ 19,262 | 5,754 | △ 117,473 |
| Proceeds from short-term loans | 20,044 | 72,853 | △ 52,808 | 128,547 |
| Repayment of short-term loans | △ 24,176 | △ 79,504 | 55,328 | △ 154,964 |
| Proceeds from issuance of commercial paper | 180,884 | 291,997 | △ 111,113 | 580,977 |
| Redemption of commercial paper | △ 222,000 | △ 291,000 | 69,000 | △ 575,000 |
| Dividends paid | △ 4,993 | △ 8,307 | 3,313 | △ 12,472 |
| Dividends paid to minority interests | △ 84 | △ 71 | △ 12 | △ 71 |
| Others | △ 20 | △ 1 | △ 19 | △ 15 |
| Net cash used in financing activities | △ 2,017 | △ 47,942 | 45,925 | △ 103,613 |
| Foreign currency translation adjustments on cash and cash equivalents | △ 36 | 196 | △ 233 | 291 |
| Net (decrease) increase in cash and cash equivalents | △ 3,506 | 7,106 | △ 10,613 | △ 1,693 |
| Cash and cash equivalents at beginning of year | 28,874 | 30,221 | △ 1,346 | 30,221 |
| Increase in cash from the addition of consolidated subsidiaries | 5,704 | 346 | 5,357 | 346 |
| Cash and cash equivalents at end of the period | 31,072 | 37,674 | △ 6,602 | 28,874 |

(Note) Figures less than one million yen have been rounded off.

Segment Information

(1) Business Segments

[Six Months ended Sep.30,2006]

(Unit: millions of yen)

| | Electric Power | Electric power-related | Other Businesses | Subtotal | Eliminations | Consolidated |
|------------------------|----------------|------------------------|------------------|----------|--------------|--------------|
| Operating revenues | | | | | | |
| Sales | | | | | | |
| (1) Sales to customers | 257,925 | 12,455 | 6,626 | 277,007 | — | 277,007 |
| (2) Intersegment sales | | | | | | |
| Sales and transfers | 1,598 | 97,662 | 2,853 | 102,115 | (102,115) | — |
| Total sales | 259,523 | 110,118 | 9,480 | 379,123 | (102,115) | 277,007 |
| Operating expenses | 222,040 | 103,609 | 9,653 | 335,303 | (102,369) | 232,933 |
| Operating income | 37,483 | 6,508 | (172) | 43,819 | 254 | 44,073 |

[Six Months ended Sep.30,2005]

(Unit: millions of yen)

| | Electric Power | Other Businesses | Subtotal | Eliminations | Consolidated |
|------------------------|----------------|------------------|----------|--------------|--------------|
| Operating revenues | | | | | |
| Sales | | | | | |
| (1) Sales to customers | 287,175 | 18,241 | 305,417 | — | 305,417 |
| (2) Intersegment sales | | | | | |
| Sales and transfers | 669 | 94,328 | 94,998 | (94,998) | — |
| Total sales | 287,845 | 112,570 | 400,415 | (94,998) | 305,417 |
| Operating expenses | 238,893 | 107,824 | 346,717 | (95,807) | 250,910 |
| Operating income | 48,951 | 4,746 | 53,697 | 809 | 54,506 |

[Year ended Mar.31,2006]

(Unit: millions of yen)

| | Electric Power | Other Businesses | Subtotal | Eliminations | Consolidated |
|------------------------|----------------|------------------|----------|--------------|--------------|
| Operating revenues | | | | | |
| Sales | | | | | |
| (1) Sales to customers | 573,198 | 48,734 | 621,933 | — | 621,933 |
| (2) Intersegment sales | | | | | |
| Sales and transfers | 1,390 | 206,240 | 207,630 | (207,630) | — |
| Total sales | 574,589 | 254,974 | 829,564 | (207,630) | 621,933 |
| Operating expenses | 487,531 | 241,176 | 728,708 | (208,244) | 520,464 |
| Operating income | 87,057 | 13,797 | 100,855 | 613 | 101,469 |

(Change in business segmentation method)

Starting with the current interim accounting period, we have separated “Electric Power-Related Business” segment out of “Other Businesses” segment and it resulted into the three segments of “Electric Power”, “Electric Power-Related Business”, and “Other Businesses”.

This will clarify the scale of operations of the separately disclosed “Electric Power-Related Business”, and we have decided to increase the availability of segment information by business category by enhancing the information we disclose.

Classifying the segment information by business category for the previous consolidated interim period and the previous fiscal year according to the business segmentation method used in the current interim accounting period yields the following results.

[Six Months ended Sep.30,2005]

(Unit: millions of yen)

| | Electric Power | Electric power-related | Other Businesses | Subtotal | Eliminations | Consolidated |
|------------------------|----------------|------------------------|------------------|----------|--------------|--------------|
| Operating revenues | | | | | | |
| Sales | | | | | | |
| (1) Sales to customers | 287,175 | 11,952 | 6,288 | 305,417 | — | 305,417 |
| (2) Intersegment sales | | | | | | |
| Sales and transfers | 669 | 94,757 | 52 | 95,479 | (95,479) | — |
| Total sales | 287,845 | 106,710 | 6,341 | 400,896 | (95,479) | 305,417 |
| Operating expenses | 238,893 | 102,004 | 6,300 | 347,198 | (96,288) | 250,910 |
| Operating income | 48,951 | 4,705 | 40 | 53,697 | 809 | 54,506 |

[Year ended Mar.31,2006]

(Unit: millions of yen)

| | Electric Power | Electric power-related | Other Businesses | Subtotal | Eliminations | Consolidated |
|------------------------|----------------|------------------------|------------------|----------|--------------|--------------|
| Operating revenues | | | | | | |
| Sales | | | | | | |
| (1) Sales to customers | 573,198 | 31,975 | 16,758 | 621,933 | — | 621,933 |
| (2) Intersegment sales | | | | | | |
| Sales and transfers | 1,390 | 208,418 | 106 | 209,915 | (209,915) | — |
| Total sales | 574,589 | 240,394 | 16,864 | 831,848 | (209,915) | 621,933 |
| Operating expenses | 487,531 | 226,976 | 16,484 | 730,992 | (210,528) | 520,464 |
| Operating income | 87,057 | 13,418 | 379 | 100,855 | 613 | 101,469 |

(2)Geographic segments

Since the proportion of the Company's business that is conducted in Japan accounts for more than 90% of the Company's total revenues, geographic segment information is not presented.

(3)Overseas revenues

Overseas revenues are omitted because revenues from foreign countries account for less than 10% of the Company's total revenues.

Revenues and Expenses (Consolidated)

(Unit: millions of yen)

| | Six months ended Sep.30,2006 (A) | Six months ended Sep.30,2005 (B) | (A) – (B) | (A / B) |
|---|---|---|-------------|---------|
| | million yen | million yen | million yen | % |
| Operating revenues | 277,007 | 305,417 | △ 28,409 | 90.7 |
| Electric power operating revenues | 257,925 | 287,175 | △ 29,250 | 89.8 |
| Electric power sales to other companies | 229,571 | 255,112 | △ 25,540 | 90.0 |
| Wholesale power business | 221,512 | 247,389 | △ 25,877 | 89.5 |
| Hydro | 66,775 | 70,610 | △ 3,834 | 94.6 |
| Thermal | 154,736 | 176,779 | △ 22,042 | 87.5 |
| Other electric power businesses | 8,059 | 7,722 | 336 | 104.4 |
| Transmission revenues | 27,592 | 30,565 | △ 2,972 | 90.3 |
| Other electricity revenues | 761 | 1,498 | △ 736 | 50.8 |
| Other operating revenues | 19,082 | 18,241 | 841 | 104.6 |
| Non-operating revenues | 5,649 | 2,800 | 2,848 | 201.7 |
| Dividend income | 900 | 1,341 | △ 441 | 67.1 |
| Interest income | 416 | 328 | 87 | 126.8 |
| Equity income of affiliates | 2,239 | 386 | 1,853 | 579.9 |
| Other | 2,093 | 744 | 1,349 | 281.3 |
| Total Ordinary Revenues | 282,657 | 308,217 | △ 25,560 | 91.7 |
| Operating expenses | 232,933 | 250,910 | △ 17,976 | 92.8 |
| Electric power operating expenses | 211,603 | 230,531 | △ 18,928 | 91.8 |
| Personnel expenses | 14,139 | 14,944 | △ 804 | 94.6 |
| Fuel cost | 67,746 | 73,761 | △ 6,015 | 91.8 |
| Repair expense | 22,424 | 22,787 | △ 362 | 98.4 |
| Consignment cost | 14,426 | 14,069 | 357 | 102.5 |
| Taxes and duties | 14,240 | 14,976 | △ 736 | 95.1 |
| Depreciation and amortization cost | 58,908 | 65,550 | △ 6,641 | 89.9 |
| Other | 19,716 | 24,441 | △ 4,725 | 80.7 |
| Other operating expenses | 21,330 | 20,378 | 951 | 104.7 |
| Non-operating expenses | 12,461 | 19,072 | △ 6,610 | 65.3 |
| Financial expenses | 11,023 | 17,296 | △ 6,273 | 63.7 |
| Other | 1,438 | 1,775 | △ 336 | 81.0 |
| Total Ordinary Expenses | 245,395 | 269,982 | △ 24,586 | 90.9 |
| Ordinary income | 37,261 | 38,235 | △ 973 | 97.5 |
| (Provision for)reversal of reserve for fluctuation in water level | 487 | △ 73 | 560 | — |
| Income before income taxes and minority interests | 36,774 | 38,308 | △ 1,533 | 96.0 |
| Income taxes—current | 10,794 | 16,814 | △ 6,020 | 64.2 |
| Income taxes – deferred | 2,671 | △ 2,244 | 4,916 | — |
| Minority losses | △ 312 | △ 51 | △ 260 | 606.3 |
| Net Income | 23,621 | 23,790 | △ 168 | 99.3 |

(Note) Figures less than one million yen have been rounded off.

[Appendix 2]

(1) Generation capacity

(Units: thousand kW)

| | Six months ended Sep. 30, 2006 (A) | Six months ended Sep. 30, 2005 (B) | (A)-(B) |
|------------------------------------|--|--|---------|
| Wholesale power business | 16,380 | 16,375 | 5 |
| Hydroelectric | 8,556 | 8,551 | 5 |
| Thermal | 7,824 | 7,824 | — |
| Other electric power businesses(1) | 495 | 483 | 12 |
| Total | 16,875 | 16,858 | 17 |

* (1) Operated by IPP(ITOIGAWA POWER Inc.), PPS(Ichihara Power Co., Ltd., Bay Side Energy Co., Ltd.), Wind Power(Nikaho-kogen Wind Power Co., Ltd., Green Power Kuzumaki Co., Ltd., Nagasaki-shikamachi Wind Power Co., Ltd., Green Power Aso Co., Ltd., J-Wind TAHARA Ltd., Dream-Up Tomamae Co., Ltd.,and Green Power Setana Co., Ltd.)

(2) Electricity sales and revenues

(Units: million kWh, million yen)

| | Six months ended Sep. 30, 2006 (A) | | Six months ended Sep. 30, 2005 (B) | | (A)-(B) | |
|------------------------------------|--|---------------------------------------|--|---------------------------------------|-------------------|---------------------------------------|
| | Electricity sales | Electricity and transmission revenues | Electricity sales | Electricity and transmission revenues | Electricity sales | Electricity and transmission revenues |
| Wholesale power business | 28,542 | 221,512 | 30,803 | 247,389 | △2,261 | △25,877 |
| Hydroelectric | 6,844 | 66,775 | 5,168 | 70,610 | 1,676 | △3,834 |
| Thermal | 21,698 | 154,736 | 25,635 | 176,779 | △3,937 | △22,042 |
| Other electric power businesses(1) | 764 | 8,059 | 804 | 7,722 | △40 | 336 |
| Subtotal | 29,306 | 229,571 | 31,607 | 255,112 | △2,301 | △25,540 |
| Transmission | — | 27,592 | — | 30,565 | — | △2,972 |
| Total | 29,306 | 257,163 | 31,607 | 285,677 | △2,301 | △28,513 |

* (1) Operated by IPP(ITOIGAWA POWER Inc.), PPS(Ichihara Power Co., Ltd., Bay Side Energy Co., Ltd.), Wind Power(Nikaho-kogen Wind Power Co., Ltd., Green Power Kuzumaki Co., Ltd., Nagasaki-shikamachi Wind Power Co., Ltd., Green Power Aso Co., Ltd., J-Wind TAHARA Ltd., Dream-Up Tomamae Co., Ltd.,and Green Power Setana Co., Ltd.)

(3) Result of water supply rate

(Units: %)

| | Six months ended Sep. 30, 2006 (A) | Six months ended Sep. 30, 2005 (B) | (A)-(B) |
|-------------------|--|--|---------|
| Water supply rate | 117 | 92 | 25 |

(Summary English translation)

Interim Non-Consolidated Financial Statements (Unaudited)
(for the Six Months Ended September 30, 2006)

November 10, 2006

Electric Power Development Co., Ltd. (J-POWER)

Address: 15-1, Ginza 6-chome, Chuo-ku, Tokyo

Listed Exchange: Tokyo Stock Exchange 1st Section

Code No. : 9 5 1 3

(URL <http://www.jpowers.co.jp/>)

Representative : Yoshihiko Nakagaki, President

Contact : Hideo Kimura, Accounting Group Leader, Accounting & Finance Department

Hitoshi Nakamura, IR Group Leader, Corporate Planning & Administration Department

Tel. : +81 - 3 - 3546 - 2211

Interim dividends system : Yes

Adoption of the unit stock system : Yes (unit : 100 shares)

1. Business Performance (From April 1, 2006 to September 30, 2006)

(1) Results of Operations

(Rounded down to the nearest million yen)

| | Operating Revenues | Operating Income | Ordinary Income |
|--------------------------------|---------------------|---------------------|---------------------|
| | Unit: million yen % | Unit: million yen % | Unit: million yen % |
| Six months ended Sep. 30, 2006 | 253,571 (Δ10.3) | 37,309 (Δ23.4) | 30,582 (Δ 7.3) |
| Six months ended Sep. 30, 2005 | 282,674 (2.2) | 48,706 (Δ26.2) | 33,006 (Δ22.5) |
| Year ended Mar.31, 2006 | 566,016 | 85,974 | 51,234 |

| | Net Income | Net Income per Share |
|--------------------------------|---------------------|----------------------|
| | Unit: million yen % | yen |
| Six months ended Sep. 30, 2006 | 20,096 (Δ 5.9) | 120.65 |
| Six months ended Sep. 30, 2005 | 21,348 (Δ24.4) | 153.80 |
| Year ended Mar.31, 2006 | 33,382 | 200.08 |

(Notes)

① Average number of shares outstanding :

Six months ended Sep.30, 2006 : 166,561,013 shares

Six months ended Sep.30, 2005 : 138,807,357 shares

Year ended Mar.31, 2006 : 166,568,526 shares

Effective March 1, 2006, the company carried out a 1.2-for-1 stock split. Note that the net income per share for the six months ended Sep.30, 2005 would have been 128.16 yen based on the assumption that the above mentioned stock split was carried out at the beginning of that year.

② Changes in accounting methods : None

③ Figures in brackets are changes in percentage from the previous periods.

(2) Financial Position

(Rounded down to the nearest million yen)

| | Total Assets | Net Assets | Equity Ratio | Net Assets per Share |
|--------------------------------|-------------------|-------------------|--------------|----------------------|
| | Unit: million yen | Unit: million yen | % | yen |
| Six months ended Sep. 30, 2006 | 1,879,001 | 412,753 | 22.0 | 2,478.11 |
| Six months ended Sep. 30, 2005 | 1,918,127 | 385,780 | 20.1 | 2,779.25 |
| Year ended Mar.31, 2006 | 1,888,333 | 398,717 | 21.1 | 2,393.44 |

(Notes)

① Number of shares outstanding :

Six months ended Sep.30, 2006 : 166,559,661 shares

Six months ended Sep.30, 2005 : 138,807,201 shares

Year ended Mar.31, 2006 : 166,564,692 shares

① Number of treasury stock :

Six months ended Sep.30, 2006 : 9,939 shares

Six months ended Sep.30, 2005 : 799 shares

Year ended Mar.31, 2006 : 4,908 shares

Effective March 1, 2006, the company carried out a 1.2-for-1 stock split. Net Assets equity per share as of the end of the six months ended Sep.30, 2005 would have been 2,316.04 yen based on the assumption that the above mentioned stock split was carried out at the beginning of that year.

② Figures shown for Net Assets, Equity Ratio, and Net Assets per Share for the six months ended Sep.30, 2005, and year ended March 31, 2006, are presented in the previous format.

2. Forecast for the Year Ending March 31, 2007 (From April 1, 2006 to March 31, 2007)

| | Operating Revenues | Ordinary Income | Net Income |
|--------|-------------------------------|------------------------------|------------------------------|
| Annual | Unit : million yen 508,000 | Unit : million yen 38,000 | Unit : million yen 25,000 |

(Reference) Projected net income per share (Annual) : 150.10 yen

3. Dividends

| | Dividend per Share | | |
|-------------------------------|--------------------|-----------|-----------|
| | Interim | Year end | Annual |
| Year ended Mar.31, 2006 | 30.00 yen | 30.00 yen | 60.00 yen |
| Six months ended Sep.30, 2006 | 30.00 | — | 60.00 |
| Year ending Mar.31, 2007 | — | 30.00 | |

Forward-Looking Statements

The earnings forecasts above are based on various estimates and assumptions. Accordingly, there can be no assurance or guarantee that the future estimated figures mentioned here will actually be achieved.

INTERIM NON-CONSOLIDATED BALANCE SHEET

(Unit: millions of yen)

| | As of Sep.30,2006 | As of Mar. 31, 2006 | Increase / decrease | As of Sep.30,2005 |
|---|----------------------|------------------------|------------------------|----------------------|
| (Assets) | | | | |
| Property, Plant and Equipment | 1,782,419 | 1,791,860 | △ 9,440 | 1,816,140 |
| Power plants | 1,380,287 | 1,428,485 | △ 48,198 | 1,483,918 |
| Hydroelectric power production facilities | 466,636 | 475,920 | △ 9,284 | 483,698 |
| Thermal power production facilities | 590,528 | 619,059 | △ 28,531 | 657,131 |
| Transmission facilities | 253,502 | 261,139 | △ 7,637 | 269,057 |
| Transformation facilities | 38,261 | 39,744 | △ 1,483 | 40,974 |
| Communication facilities | 9,157 | 9,919 | △ 761 | 10,079 |
| General facilities | 22,201 | 22,701 | △ 500 | 22,976 |
| Incidental business-related property, plant & equipment | 1,882 | 493 | 1,389 | 425 |
| Non-operating property, plant & equipment | 1,103 | 917 | 185 | 1,553 |
| Construction in progress | 229,336 | 200,807 | 28,528 | 178,910 |
| Investments and other assets | 169,809 | 161,155 | 8,654 | 151,333 |
| Long-term investments | 54,590 | 56,109 | △ 1,518 | 47,194 |
| Long-term investments in affiliated Companies | 89,400 | 78,577 | 10,823 | 72,421 |
| Long-term prepaid expenses | 2,886 | 3,017 | △ 130 | 3,055 |
| Deferred tax assets | 23,450 | 23,796 | △ 345 | 27,941 |
| Allowance for doubtful accounts | △ 517 | △ 344 | △ 173 | — |
| Current assets | 96,581 | 96,473 | 108 | 101,987 |
| Cash and bank deposits | 5,335 | 6,501 | △ 1,166 | 9,259 |
| Acceptance receivable | — | 3 | △ 3 | — |
| Accounts receivable | 47,403 | 51,244 | △ 3,841 | 53,009 |
| Accrued income | 4,023 | 5,721 | △ 1,698 | 4,188 |
| Inventories | 18,413 | 16,471 | 1,942 | 15,256 |
| Prepaid expenses | 3,096 | 1,228 | 1,868 | 4,210 |
| Short-term loans to affiliated Companies | 5,097 | 5,124 | △ 27 | 3,583 |
| Deferred tax assets | 2,865 | 3,801 | △ 936 | 3,076 |
| Other current assets | 10,347 | 6,376 | 3,970 | 9,402 |
| Total Assets | 1,879,001 | 1,888,333 | △ 9,332 | 1,918,127 |

(Note) Figures less than one million yen have been rounded off.

(Unit: millions of yen)

| | As of Sep.30,2006 | As of Mar. 31, 2006 | Increase / decrease | As of Sep.30,2005 |
|---|----------------------|------------------------|------------------------|----------------------|
| (Liabilities) | | | | |
| Long-term liabilities | 1,194,955 | 1,182,685 | 12,269 | 1,239,454 |
| Bond | 546,157 | 521,684 | 24,473 | 571,834 |
| Long-term loans | 615,778 | 625,039 | △ 9,260 | 621,702 |
| Long-term accrued liabilities | 960 | 961 | △ 0 | 961 |
| Accrued employee retirement benefits | 22,771 | 25,089 | △ 2,317 | 34,231 |
| Other long-term liabilities | 9,286 | 9,910 | △ 624 | 10,725 |
| Current liabilities | 269,406 | 305,531 | △ 36,125 | 291,167 |
| Current portion of long-term debt and other | 138,734 | 103,954 | 34,779 | 91,934 |
| Short-term loans | — | 23,000 | △ 23,000 | 43,000 |
| Commercial paper | 69,977 | 111,000 | △ 41,022 | 106,000 |
| Accounts payable | 3,924 | 3,495 | 429 | 3,438 |
| Accrued accounts | 3,196 | 4,254 | △ 1,058 | 3,029 |
| Accrued expenses | 8,275 | 9,961 | △ 1,685 | 7,786 |
| Income and other taxes payable | 12,121 | 16,699 | △ 4,578 | 20,260 |
| Deposits received | 485 | 229 | 256 | 311 |
| Short-term debt to affiliated companies | 27,617 | 30,099 | △ 2,481 | 11,493 |
| Advances received | 526 | 413 | 112 | 567 |
| Other current liabilities | 4,547 | 2,424 | 2,123 | 3,344 |
| Reserves under special laws | 1,886 | 1,399 | 487 | 1,725 |
| Reserve for fluctuation in water levels | 1,886 | 1,399 | 487 | 1,725 |
| Total liabilities | 1,466,247 | 1,489,616 | △ 23,368 | 1,532,347 |
| (Net Assets) | | | | |
| Shareholders' equity | 400,126 | — | 400,126 | — |
| Common stock | 152,449 | — | 152,449 | — |
| Capital surplus | 81,852 | — | 81,852 | — |
| Additional paid-in capital | 81,852 | — | 81,852 | — |
| Retained earnings | 165,863 | — | 165,863 | — |
| Legal reserve | 6,029 | — | 6,029 | — |
| Other retained earnings | 159,834 | — | 159,834 | — |
| Reserve for special disaster | 23 | — | 23 | — |
| Exchange-fluctuation preparation reserve | 1,960 | — | 1,960 | — |
| General reserve | 117,861 | — | 117,861 | — |
| Retained earnings carried forward | 39,989 | — | 39,989 | — |
| Treasury stock | △ 38 | — | △ 38 | — |
| Valuation and translation adjustments | 12,627 | — | 12,627 | — |
| Unrealized gain on other securities | 12,561 | — | 12,561 | — |
| Deferred hedging gain or loss | 65 | — | 65 | — |
| Total net assets | 412,753 | — | 412,753 | — |
| (Shareholders' equity) | | | | |
| Common stock | — | 152,449 | △ 152,449 | 152,449 |
| Capital surplus | — | 81,852 | △ 81,852 | 81,852 |
| Additional paid-in capital | — | 81,852 | △ 81,852 | 81,852 |
| Retained earnings | — | 150,819 | △ 150,819 | 142,948 |
| Legal reserve | — | 6,029 | △ 6,029 | 6,029 |
| Voluntary reserve | — | 94,897 | △ 94,897 | 94,897 |
| Reserve for loss from overseas investment, etc. | — | 56 | △ 56 | 56 |
| Reserve for special disaster | — | 19 | △ 19 | 19 |
| Exchange-fluctuation preparation reserve | — | 1,960 | △ 1,960 | 1,960 |
| General reserve | — | 92,861 | △ 92,861 | 92,861 |
| Unappropriated retained earnings at the end of the term | — | 49,892 | △ 49,892 | 42,022 |
| Unrealized gain on securities | — | 13,613 | △ 13,613 | 8,532 |
| Treasury stock | — | △ 17 | 17 | △ 2 |
| Total shareholders' equity | — | 398,717 | △ 398,717 | 385,780 |
| Total Liabilities and Net Assets | 1,879,001 | 1,888,333 | △ 9,332 | 1,918,127 |

(Note) Figures less than one million yen have been rounded off.

INTERIM NON-CONSOLIDATED PROFIT AND LOSS STATEMENT

(Unit: millions of yen)

| | Six months ended Sep.30,2006 | Six months ended Sep.30,2005 | Increase / decrease | Year ended Mar. 31, 2006 |
|--|------------------------------------|------------------------------------|------------------------|-----------------------------|
| Ordinary revenues | | | | |
| Operating revenues | 253,571 | 282,674 | △ 29,103 | 566,016 |
| Electric power | 251,453 | 280,107 | △ 28,653 | 558,306 |
| Electric power sales to other companies | 221,512 | 247,389 | △ 25,877 | 495,061 |
| Transmission revenues | 27,592 | 30,565 | △ 2,972 | 58,255 |
| Other electricity revenues | 2,348 | 2,152 | 196 | 4,989 |
| Incidental business revenues | 2,118 | 2,567 | △ 449 | 7,709 |
| Consulting business | 798 | 737 | 60 | 4,152 |
| Coal sales business | 1,040 | 1,715 | △ 674 | 3,209 |
| Other incidental business | 279 | 114 | 164 | 347 |
| Non-operating revenues | 5,138 | 2,584 | 2,553 | 5,218 |
| Financial revenues | 3,848 | 2,266 | 1,581 | 3,327 |
| Dividend income | 3,381 | 1,876 | 1,505 | 2,521 |
| Interest income | 467 | 390 | 76 | 806 |
| Non-business revenues | 1,289 | 317 | 972 | 1,890 |
| Gain on sale of fixed assets | 14 | 21 | △ 6 | 111 |
| Other | 1,274 | 296 | 978 | 1,779 |
| Total ordinary revenues | 258,710 | 285,259 | △ 26,549 | 571,234 |
| Ordinary expenses | | | | |
| Operating expenses | 216,261 | 233,968 | △ 17,706 | 480,041 |
| Electric power | 214,325 | 231,598 | △ 17,273 | 473,056 |
| Hydroelectric power production expenses | 27,901 | 33,161 | △ 5,259 | 69,844 |
| Thermal power production expenses | 141,269 | 147,650 | △ 6,380 | 308,191 |
| Power purchased from other companies | 251 | — | 251 | 81 |
| Transmission expenses | 14,566 | 18,897 | △ 4,330 | 35,250 |
| Transformation expenses | 3,041 | 3,226 | △ 184 | 6,737 |
| Selling expenses | 684 | 594 | 90 | 1,439 |
| Communication expenses | 2,863 | 2,430 | 432 | 5,655 |
| General and administrative expenses | 20,464 | 21,984 | △ 1,520 | 38,571 |
| Enterprise tax | 3,282 | 3,654 | △ 371 | 7,285 |
| Incidental business expenses | 1,936 | 2,369 | △ 432 | 6,985 |
| Consulting business | 576 | 540 | 36 | 3,568 |
| Coal sales business | 1,039 | 1,686 | △ 647 | 2,998 |
| Other incidental business | 320 | 141 | 178 | 417 |
| (Operating income) | (37,309) | (48,706) | (△ 11,396) | (85,974) |
| Non-operating expenses | 11,865 | 18,284 | △ 6,418 | 39,958 |
| Financial expenses | 10,834 | 17,428 | △ 6,594 | 35,737 |
| Interest expenses | 10,642 | 17,013 | △ 6,371 | 35,088 |
| Amortization of stock issue expenses | — | — | — | 10 |
| Bond issue expenses | 192 | — | 192 | — |
| Amortization of bond issue expenses | — | 393 | △ 393 | 590 |
| Amortization of bond issue discount | — | 22 | △ 22 | 49 |
| Non-business expenses | 1,030 | 855 | 175 | 4,220 |
| Loss on sale of fixed assets | 0 | 0 | △ 0 | 126 |
| Other | 1,030 | 855 | 175 | 4,094 |
| Total ordinary expenses | 228,127 | 252,252 | △ 24,125 | 520,000 |
| Ordinary income | 30,582 | 33,006 | △ 2,423 | 51,234 |
| (Provision for) reversal of reserve for fluctuation in water levels | 487 | △ 73 | 560 | △ 399 |
| Income before income taxes | 30,095 | 33,079 | △ 2,984 | 51,633 |
| Income taxes - current | 8,162 | 14,186 | △ 6,024 | 20,143 |
| Income taxes - deferred | 1,837 | △ 2,454 | 4,291 | △ 1,892 |
| Net income | 20,096 | 21,348 | △ 1,251 | 33,382 |
| Retained earnings brought from previous term | — | 20,673 | △ 20,673 | 20,673 |
| Interim dividends | — | — | — | 4,164 |
| Unappropriated retained earnings | — | 42,022 | △ 42,022 | 49,892 |

(Note) Figures less than one million yen have been rounded off.

Interim Non-Consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2006 to September 30, 2006)

(Unit: millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at March 31, 2006 | 152,449 | 81,852 | 150,819 | △ 17 | 385,103 |
| Changes during the period | | | | | |
| Dividends on retained earnings | — | — | △ 4,996 | — | △ 4,996 |
| Bonuses to directors and statutory auditors | — | — | △ 55 | — | △ 55 |
| Net income | — | — | 20,096 | — | 20,096 |
| Acquisition of treasury stock | — | — | — | △ 21 | △ 21 |
| Changes in items other than shareholders' equity (net) | — | — | — | — | — |
| Total | — | — | 15,044 | △ 21 | 15,023 |
| Balance at September 30, 2006 | 152,449 | 81,852 | 165,863 | △ 38 | 400,126 |

(Unit: millions of yen)

| | Valuation and translation adjustments | | | Total Net Assets |
|--|---------------------------------------|-------------------------------|---|------------------|
| | Unrealized gain on other securities | Deferred hedging gain or loss | Total valuation and translation adjustments | |
| Balance at March 31, 2006 | 13,613 | — | 13,613 | 398,717 |
| Changes during the period | | | | |
| Dividends on retained earnings | — | — | — | △ 4,996 |
| Bonuses to directors and statutory auditors | — | — | — | △ 55 |
| Net income | — | — | — | 20,096 |
| Acquisition of treasury stock | — | — | — | △ 21 |
| Changes in items other than shareholders' equity (net) | △ 1,052 | 65 | △ 986 | △ 986 |
| Total | △ 1,052 | 65 | △ 986 | 14,036 |
| Balance at September 30, 2006 | 12,561 | 65 | 12,627 | 412,753 |

(Note) Figures less than one million yen have been rounded off.

Revenues and Expenses (Non-Consolidated)

| | Six months ended Sep.30,2006 (A) | Six months ended Sep.30,2005 (B) | (A) - (B) | (A/B) | Percentage of total | |
|---|--|--|-------------|-------|---------------------|-------|
| | million yen | million yen | million yen | % | (A) | (B) |
| | | | | | % | % |
| Ordinary revenues | | | | | | |
| Operating revenues | 253,571 | 282,674 | △ 29,103 | 89.7 | 98.0 | 99.1 |
| Electric power sales to other companies | 221,512 | 247,389 | △ 25,877 | 89.5 | 85.6 | 86.7 |
| Hydro | 66,775 | 70,610 | △ 3,834 | 94.6 | 25.8 | 24.7 |
| Thermal | 154,736 | 176,779 | △ 22,042 | 87.5 | 59.8 | 62.0 |
| Transmission revenues | 27,592 | 30,565 | △ 2,972 | 90.3 | 10.7 | 10.7 |
| Other electricity revenues | 2,348 | 2,152 | 196 | 109.1 | 0.9 | 0.8 |
| Incidental business revenues | 2,118 | 2,567 | △ 449 | 82.5 | 0.8 | 0.9 |
| Non-operating revenues | 5,138 | 2,584 | 2,553 | 198.8 | 2.0 | 0.9 |
| Total | 258,710 | 285,259 | △ 26,549 | 90.7 | 100.0 | 100.0 |
| Ordinary expenses | | | | | | |
| Operating expenses | 216,261 | 233,968 | △ 17,706 | 92.4 | 94.8 | 92.8 |
| Personnel expenses | 14,113 | 14,928 | △ 815 | 94.5 | 6.2 | 5.9 |
| Fuel cost | 64,641 | 71,419 | △ 6,778 | 90.5 | 28.3 | 28.3 |
| Repair expense | 25,586 | 24,511 | 1,074 | 104.4 | 11.2 | 9.7 |
| Taxes and duties | 13,862 | 14,687 | △ 825 | 94.4 | 6.1 | 5.8 |
| Depreciation and amortization cost | 58,646 | 65,248 | △ 6,602 | 89.9 | 25.7 | 25.9 |
| Other | 37,476 | 40,802 | △ 3,326 | 91.8 | 16.4 | 16.2 |
| Incidental business expenses | 1,936 | 2,369 | △ 432 | 81.7 | 0.9 | 1.0 |
| Non-operating expenses | 11,865 | 18,284 | △ 6,418 | 64.9 | 5.2 | 7.2 |
| Financial expenses | 10,834 | 17,428 | △ 6,594 | 62.2 | 4.7 | 6.9 |
| Other | 1,030 | 855 | 175 | 120.5 | 0.5 | 0.3 |
| Total | 228,127 | 252,252 | △ 24,125 | 90.4 | 100.0 | 100.0 |
| Ordinary income | 30,582 | 33,006 | △ 2,423 | 92.7 | | |
| (Provision for) reversal of reserve for fluctuation in water levels | 487 | △ 73 | 560 | - | | |
| Income before income taxes | 30,095 | 33,079 | △ 2,984 | 91.0 | | |
| Income taxes | 9,999 | 11,731 | △ 1,732 | 85.2 | | |
| current | 8,162 | 14,186 | △ 6,024 | 57.5 | | |
| deferred | 1,837 | △ 2,454 | 4,291 | - | | |
| Net Income | 20,096 | 21,348 | △ 1,251 | 94.1 | | |

(Note) Figures less than one million yen have been rounded off.

(1) Generation capacity

(Units : thousand kW)

| | Six months ended Sep.30, 2006 (A) | Six months ended Sep.30, 2005 (B) | (A)-(B) |
|---------------|---|---|---------|
| Hydroelectric | 8,556 | 8,551 | 5 |
| Thermal | 7,824 | 7,824 | — |
| Total | 16,380 | 16,375 | 5 |

(2) Electricity sales and revenues

(Units: million kWh, million yen)

| | Six months ended Sep.30, 2006 (A) | | Six months ended Sep.30, 2005 (B) | | (A)-(B) | |
|---------------|---|--|---|--|----------------------|--|
| | Electricity sales | Electricity and transmission revenues | Electricity sales | Electricity and transmission revenues | Electricity sales | Electricity and transmission revenues |
| Hydroelectric | 6,844 | 66,775 | 5,168 | 70,610 | 1,676 | △ 3,834 |
| Thermal | 21,698 | 154,736 | 25,635 | 176,779 | △ 3,937 | △22,042 |
| Subtotal | 28,542 | 221,512 | 30,803 | 247,389 | △ 2,261 | △25,877 |
| Transmission | — | 27,592 | — | 30,565 | — | △ 2,972 |
| Total | 28,542 | 249,104 | 30,803 | 277,954 | △ 2,261 | △28,850 |

(3) Results of water supply rate

(Units: %)

| | Six months ended Sep.30, 2006 (A) | Six months ended Sep.30, 2005 (B) | (A)-(B) |
|-------------------|---|---|---------|
| Water supply rate | 117 | 92 | 25 |