News Release: November 22, 2001
Electric Power Development Co., Ltd.

Interim Term Statement of Accounts for the Year Ending March 31, 2002 (Summary)

Interim Term Accounting Period from April 1, 2001 until September 30, 2001

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Interim Term Statement Information (Consolidated) for the Year Ending March 31, 2002

(As of November 22, 2001)

Electric Power Development Co., Ltd., 6-15-1, Ginza, Chuo-ku, Tokyo
Inquiry: Accounting group leader of accounting department
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1. **Interim Term Result for Six Months Ended September 30, 2001 (Consolidated)** (Apr. 1, 2001 ~ Sept. 30, 2001)

(1) Operating Result (Consolidated) (Note) Figures smaller than one million yen are round down.

	Sales		Operating income		Ordinary profit	
	million yen	(%)	million yen	(%)	million yen	(%)
Six months ended Sept. 30, 2001	294,364	(16.9)	77,351	(19.5)	42,720	(44.1)
Six months ended Sept. 30, 2000	251,872	(-)	64,716	(-)	29,636	(-)
For the year ended Mar.31, 2001	541,592		117,313		41,461	

	Interim term net income (current)		Interim term net income (current) per share	Predictable net profit per share after stock adjustment
	million yen	(%)	Yen Sen	Yen Sen
Six months ended Sept. 30, 2001	17,916	(64.0)	253.77	—
Six months ended Sept. 30, 2000	10,923	(-)	154.72	—
For the year ended Mar. 31, 2001	17,838		252.67	—

(Note) 1) Profits/Loss on investments subject to the Equities Law.
For six months ended Sept. 30, 2001: ____ million yen. For six months ended Sept. 30, 2000: ___ million yen
For six months ended Mar. 31, 2001: ____ million yen
2) Change in accounting procedures: Nil
3) (%) for Sales, Operating income, Ordinary profit, and Interim term (current) net income represents increase (decrease) against the interim term in previous year.

(2) Financial Condition (Consolidated)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity ratio per share
	million yen	million yen	(%)	Yen Sen
Six months ended Sept. 30, 2001	2,381,082	152,419	6.4	2,158.92
Six months ended Sept. 30, 2000	2,390,652	132,215	5.5	1,872.75
For the year ended Mar. 31, 2001	2,420,661	138,868	5.7	1,966.98

(3) Consolidated Statements of Cash Flows

	Operating activities	Investment activities	Financing activities	Cash and cash equivalents at end
	million yen	million yen	million yen	million yen
Six months ended Sept.30, 2001	113,714	(30,543)	(47,043)	59,283
Six months ended Sept. 30, 2000	70,401	(81,429)	3,899	15,053
For the year ended Mar. 31, 2001	145,835	(166,942)	22,127	23,186

(4) Scope of Consolidated Settlement and Items Related to the Application of the Equities Law
Number of consolidated subsidiaries: 11 companies
Number of non-consolidated subsidiaries subject to the Equities Law: _____ companies
Number of subsidiaries subject to the Equities Law: _____ companies

(5) Scope of Consolidated Settlement and Recent Changes in the Application of Equities Law
Consolidated companies: (new):____,(Excluded):___; Equities Law: (new):____, (Excluded):____

2. **Estimated Operating Results for the Year Ending March 31, 2002** (April 1, 2001 ~ March 31, 2002)

	Sale	Ordinary profit	Semi-annual net income (current)
	million yen	million yen	million yen
Annual	about 594,000	about 41,000	about 17,000

(Note) Net income for the year ending March 31, 2002 is estimated about¥240 per share.

I. General Statement of the Group

The EPDC Group consists of 33 subsidiary companies and 14 consolidated affiliates (as of September 30, 2001). Its principal business activities are the Power Business and Wholesale Power Business sectors. Its other business areas are the Power Peripherals Business and the Diversification Business Areas. The former is to supplement the Power Business Sector and to facilitate the smooth and efficient operation of the Power Business Sector. The latter is comprised of international and new business activities undertaken with the full backing of the Group's know-how.

Power Business (Wholesale Power Business)

EPDC is engaged in the wholesale power business supplying electric power to ten electric power companies and to Sumitomo Joint Venture Electric Power Co., Ltd.

Power Peripherals Business

EPDC is engaged in business activities designed to supplement the power business activities of the Group and to facilitate the smooth and efficient conduct of the Group's business activities, including the design, execution and maintenance of power business facilities required for the execution of the power business, the supply of fuels for power generating plants, and various other peripheral activities.

- Design, execution and maintenance of facilities
  Design, execution and inspection/maintenance of power generating facilities, including power plants; and port operation related to fuels and coal ash.

- Supply of fuels for power plants
  Coal mine development, coal import, transport

- Other peripheral business activities
  Insurance, environmental surveys and measurements, computer services

Diversification Business

The other business activities EPDC is engaged in with the backing of the Group's management resources and its know-how include overseas power investment projects, domestic wind power generation, power generation from wastes, heat-coupled power supply systems operation (co-generation) and other new electric power business activities, environmental business activities such as overseas afforestation projects, and optic fiber core cable leasing business.

The following page gives a schematic overview of the EPDC Group's business activities.

Schematic Overview of Business Activities

Electric Power Development Co., Ltd.
(Company submitting financial statements of the Group)

New business International business

Not boxed Affiliated companies (All of which are not subject to the application of the Law on Equity)

II. Management Policy

1. Management Principles

Amidst the current difficulties of a tenaciously lingering recession causing the government to review its economic growth rate forecast for fiscal 2001 to negative growth, electricity demand for the first half-term of fiscal 2001 registered a decline against the same period of the previous fiscal year for the first time in eight years (at the total of the ten electric power companies), despite a new record in peak demand due to the excessive summer heat (at the total of the ten electric power companies).

Under these conditions, a review of the optimum way in which the electric power sector should best be organized in the future has been initiated at the Power Business Section Meeting within the General Natural Resources and Energy Survey Group in November. In the wake of the COP7 agreement, there is also considerable pressure on the sector to come up with concrete measures to respond to the problem of global warming. Clearly, these factors open up a challenging management environment for the power sector at the dawn of a new era of change and reform.

Amidst this new management climate, EPDC has established its New Management Policy resting on the double pillar of “fundamentally strengthening the competitiveness of its wholesale power business” and the “pursuit of business expansion with the development of international and new business activities.” At present, efforts are made on a group-wide basis to achieve these policy objectives in an endeavor to create a highly competitive electric power and energy company determined to gain a leading edge in the tough competition on the domestic and international markets and lay a solid foundation for the privatization of the company that was sealed and set by Cabinet Decision in 1997 and the successful development thereafter.

The specific effort that will be made under this New Management Policy are as follows.

(1) Fundamentally Strengthening the Competitiveness of its Wholesale Power Business: Promoting the Third Phase of the Company Restructuring Plan

The wholesale power business is and will remain the Company’s mainstay, with far-reaching efforts being made to save costs on a major scale through substantial improvements in efficiency achieved by a group-wide reorganization of the personnel system and to establish a competitive edge on costs.

To this end, the Company is in the process of implementing the Third Phase of the Company Restructuring Plan (FY2001 through to FY 2005) from this current fiscal year (2001) concentrating on the following four priority areas:

1) Review of the Corporate Organization
   Introduction of a Business Division System, streamlining the Head Office functions with a slimmer Head Office organization, renewed reshuffle of the Group companies, implementation of a unified system for handling the administrative tasks of the Group as a whole.
2) Review of the Board of Directors System
   The number of regular members of the Board of Directors (currently 20) will be substantially reduced with the introduction of an Executive Directors System.
3) Major Streamlining of the Personnel System and Substantial Cost Saving
   Until fiscal 2005, a group-wide efficiency drive is to reduce staff by 2,000 employees (down from 8,000 to 6,000) and controllable costs by at least 20%.
4) Improvement in the Group's Financial Structure
   A tight squeeze on plant and equipment investment spending will go hand in with efforts to convert business equipment to liquid assets and thus reduce the burden of interest-attracting liabilities. (As part of this, the conversion of the Head Office Building to securities has already been completed in September of this year.)

(2) Pursuit of Business Expansion in Future Business Domains and New Activity Areas

The Company has established a substantial record of performance and a solid know-how base in the electricity and energy fields during its activities over the last 50 year in Japan and during the last 40 years abroad. Building on these foundations, the Company is firm in its resolve to develop its business in the following five domains by falling back on its strength and management resources. In addition to its mainstay wholesale power business, the Company will launch out in other international and new business areas focusing on "Energy and the Environment." This expansion drive will be pursued through an audacious investment program on a scale of 70 billion yen until fiscal 2005.

1) Domestic Electric Power Business
   EPDC is confident that its wholesale power business (hydroelectric, thermal and nuclear power) will register a sound development and is fully committed to further business expansion in a variety of fields. In this context, it is already participating in International Power Projects (IPP) with a view to their commercialization and efforts are underway to gain ground in wind power development, power generation from wastes, thermo-coupled power generation (co-generation) on the PFI (Private Finance Initiative) principle, and in the micro-turbine operated on-site energy service domain. The Company is also making headway in the practical use of biomass power generation, micro-hydropower, and solid electrolyte type fuel cells (SOFC).

2) Overseas Power and Energy Investment Business
Based on the broad experience gained as a consultant in countries throughout the world until the present, RPDC is currently participating in an International Power Project (IPP) in the Philippines, Thailand, India, and the People's Republic of China. These efforts will be reinforced still further to expand EPDC's international power project activities on a scale that will make this domain the company's second mainstay. Expansion of this business area will be achieved through a 50 billion yen investment package due to be realized until fiscal 2005.

3) Environment Related Business
In addition to the project activities that have already been taken in hand such as the energy conservation service (ESCO) and overseas afforestation projects, EPDC is also participating in projects such as the Clean Development Mechanism (CDM) and Joint Implementation (JI) schemes agreed at the Kyoto Conference on the Prevention of Global Warming with a clear view to the trends and moves in tackling the problems of the global environment and resource recycling. These activities will open up new avenues for further progress in the waste related business area.

4) Resource-Related Business
EPDC is actively committed to the resource sector, including coal, diethyl ether, and gas with a strong involvement in development, investment, sales and trading in this field.

5) Engineering-Based Business
EPDC has already achieved solid records in business areas, including IT business involving optic fiber core cable leasing, consulting on liquefied petroleum gas (LPG) underground stockpiling facilities, and the building performance evaluation business. These areas of activity will be supplemented in the future by programs designed to create specific business models aimed at making more effective use of the Group's manpower and technology capabilities in the various fields to meet market needs on a much broader front.

(3) Specific Business Targets
Based on the above efforts, EPDC's target is to consolidate its profitability and achieve a shareholder capital ratio of 20% and reach ordinary profits in excess of 40 billion yen in fiscal 2005. The way these objectives are to be attained is through a tight asset squeeze and an increase in equity capital after privatization.

2. Policy Lines on Profit Distribution

In readiness for the Company's privatization that will take place in accordance with the Cabinet Decision of 1997, EPDC has a company-wide commitment to the strengthening of its financial structure on the basis of the above management policy and principles.

The principle that will and must apply to the distribution of profits is the continued payment of stable dividends. For the time being, however, priority will be given to building up internal reserves with a view to improving the organization's financial structure.

3. Programs for Creating a New Management Organization to Lead the Company

(1) Introduction of an Executive Director System and a Business Division System

In conjunction with efforts to reinforce the strategic decision-making functions of the Group through its Board of Directors, two new systems, namely, the Executive Director and Business Division Systems, will be introduced in order to strengthen and speed up the business executive functions and define with greater clarity the executive powers of the Directors and their responsibilities for the Company's profitability.

(2) Establishment of an Information Disclosure Committee

In view of the impending privatization of the Company, a stronger commitment will be undertaken in terms of IR activities and information disclosure. In April of this year, an IR Center was established within the Planning Department and in November, the Information Disclosure Committee chaired by the President came into being.

In the future, a greater effort will be made to disclose corporate information and achieve a greater measures of openness and transparency than has been the case until now. The Company upholds the principle of accountability to its investors and ensures an effective feedback within the corporate organization to reflect the opinions of its investors in an appropriate manner.

III. Management Results

1. Highlights of the Interim Term under Report

(1) Electricity Sales Performance of the Electric Power Business Section

Domestic demand during the first half of the current fiscal year was adversely affected by the lingering recession and fell short of the sales level for the same term of the previous fiscal year, despite a new record level of peak power consumption in the summer resulting from a spell of extremely hot weather.

In the hydroelectric area, the Company registered a 17.5% decrease to 4,700MkWh due to a worse drought than in the same period of the previous fiscal year. Conversely, thermal power generation was up 20.0% to 21,700MkWh, partly because the new Tachibanawan Thermal Power Station which had been commissioned in the previous term was maintained in operation throughout the present term. The total for hydroelectric and thermal power marked an 11.0% increase to 26,400MkWh.

(2) Overview of Revenues and Expenditures

Revenues from power sales in the hydroelectric area showed a decrease in the wake of the adverse effects of a severe drought on hydropower and the review of the power tariff. Thermal power, however, registered an increase as the new Tachibanawan Thermal Power Station which had been commissioned in the previous term continued to be operational throughout the current term. Income from wheeling was also up as the transmission and transformer facilities of the Tachibanawan Thermal Power Station generated greater operating revenues, resulting in a 16.9% increase in sales over the same period of the previous fiscal year to 277.8 billion yen. Ordinary revenues for the Company alone (non-consolidated) recorded a 16.3% increase over the same term of the previous fiscal year to 278.7 billion yen, pushing up consolidated sales (operating revenues) to 294.4 billion yen and consolidated ordinary revenues to 295.4 billion yen.

Expenditures were adversely affected by increased depreciation on plant commissioned in the previous term and by rising maintenance and operating expenses. As a result, consolidated ordinary expenses reached 252.7 billion yen while non-consolidated ordinary expenses for the Company alone marked a 13.0% increase over the same term of the previous fiscal year to 237.5 billion yen.

As a result, consolidated ordinary profits recorded a level of 42.7 billion yen and interim net income one of 17.9 billion yen. Further, non-consolidated ordinary profits were up 40.5% on the same term of the previous fiscal year to 41.2 billion yen. During the report term, the loss associated with the conversion of the Head

Office Building to securities amounted to 7.9 billion yen and the evaluation loss for the securities to 5.9 billion yen. These loss amounts are shown in the accounts as special losses. The accounts also show the incidental corporation tax and adjusted amounts. After taking these factors into consideration, the Company's non-consolidated interim net income show a 56.0% increase on the same term of the previous fiscal year, reaching a level of 17.6 billion yen.

2. Results Forecast for the Full Term Ending March 2002

The forecasts for the fiscal year 2002 put power sales at 50,100MkWh (a 2.5% increase as compared with the previous year), consolidated sales at 594.0 billion yen and non-consolidated sales at 545.0 billion yen (10% up on the previous fiscal year). As efforts will be maintained to streamline management on the basis of the Third Phase of the Company Restructuring Plan, the greater efficiency in controlling expense increases will result in an anticipated level of consolidated ordinary profits of 41 billion yen, net income of 17 billion yen, non-consolidated ordinary profits of 37.0 billion yen (up 4.7%) and non-consolidated net income of 15.0 billion yen (up 1.6%).

IV. Interim Term Consolidated Financial Statements and Other

1. Interim Term Consolidated Balance Sheets

As of September 30, 2001

(Unit: million yen)

Assets

Item	As of Sep. 30, 2001	As of Mar. 31, 2001	Increase (decrease)
Non-Current Assets	2,217,492	2,278,162	(60,670)
Electric Utility and Related Facilities	1,739,635	1,821,913	(82,277)
Hydroelectric power generating facilities	504,259	516,822	(12,563)
Thermal power generating facilities	810,110	838,388	(28,277)
Transmission lines	335,992	347,378	(11,386)
Substaions	52,035	54,347	(2,311)
Communication facilities	10,705	9,243	1,462
Offices	26,532	55,733	(29,200)
Other Non-current Assets	31,501	32,464	(963)
Facilities under Construction/Disposal	373,055	354,818	18,236
Under construction/ disposal-net	373,055	354,818	18,236
Investments and Other Assets	73,299	68,965	4,333
Long-term investment	35,077	30,731	4,346
Deferred tax assets	36,193	36,779	(586)
Other investments	2,051	1,468	582
Allowance for doubtful accounts	(23)	(14)	(9)
Current Assets	163,590	142,499	21,091
Cash and equivalents	52,134	15,068	37,065
Notes and accounts receivable-trade	51,760	51,763	(2)
Marketable securities	8,053	9,876	(1,822)
Inventories	12,095	12,315	(220)
Deferred tax assets	4,463	3,766	697
Other current assets	35,208	49,987	(14,778)
Allowance for doubtful accounts	(126)	(278)	151
Total	2,381,082	2,420,661	(39,579)

Liability, Minority Interests and Shareholder's Equity

Item	As of Sep. 30, 2001	As of Mar. 31, 2001	Increase (decrease)
Non-Current Liabilities	1,935,773	1,944,925	(9,151)
Bonds	868,311	848,311	20,000
Long-term debt	1,022,433	1,051,829	(29,396)
Reserve for termination and retirement benefits	41,949	41,036	912
Deferred tax liabilities	400	270	130
Other non-current liabilities	2,678	3,477	(798)
Current Liabilities	292,166	336,004	(43,838)
Current portion of long-term debt	126,064	159,961	(33,897)
Short-term debt	69,725	69,289	435
Notes and accounts payable-trade	9,029	11,587	(2,557)
Accrued income taxes	19,409	18,094	1,314
Miscellaneous reserves	222	259	(36)
Other current liabilities	67,715	76,812	(9,096)
Reserve Allowed by Special Law	—	349	(349)
Reserve for drought	—	349	(349)
Total Liabilities	2,227,940	2,281,279	(53,338)
Minority Interests	722	513	208
Shareholders' Equity	70,600	70,600	—
Consolidated Retained Earnings	83,405	69,929	13,475
Net Unrealized Gains on Securities	183	223	(39)
Foreign Currency Translation Adjustments	(1,768)	(1,884)	115
Total Shareholders' Equity	152,419	138,868	13,551
Total	2,381,082	2,420,661	(39,579)

2. Interim Term Consolidated Statements of Income

From April 1, 2001 to September 30, 2001

(Unit: million yen)

Expenses				Revenues			
Item	As of Sep. 30, 2001	As of Mar. 31, 2001	Increase (decrease)	Item	As of Sep. 30, 2001	As of Mar. 31, 2001	Increase (decrease)
Operating Expenses	217,013	187,156	29,856	**Operating Revenues**	294,364	251,872	42,491
Operating expenses	196,285	168,395	27,890	Operationg revenues	277,595	237,478	40,116
Other operating expenses	20,727	18,761	1,966	Other operating revenues	16,769	14,394	2,374
Operating profit	77,351)	(64,716)	(12,634)				
Non-Operating Expenses	35,660	37,701	(2,040)	**Non-Operating Revenues**	1,029	2,620	(1,591)
Interest paid	34,916	35,256	(340)	Dividend received	160	42	117
Other non-operating expenses	743	2,444	(1,700)	Interest received	175	113	61
				Other non-operating revenues	693	2,464	(1,771)
Operating and Non-Operating Expenses	252,673	224,857	27,815	**Operating and Non-Operating Revenues**	295,393	254,493	40,899
Ordinary Profit	42,720	29,636	13,084				
Reserve for Drought-net	(349)	(190)	(158)				
Special Loss	13,845	11,670	2,175				
Loss associated with the conversion of the Head Office building to securities	7,894	—	7,894				
Evaluation loss on securities	5,951	—	5,951				
Reserve for termination and retirement benefits	—	11,670	(11,670)				
Income before Taxes	29,223	18,156	11,067				
Corporate Income Tax, Inhabitant Tax and Local CorporationTax	11,069	13,303	(2,234)				
Income taxes-deferred	51	(6,119)	6,171				
Minority Interests in Net Income	186	48	137				
Net Income	17,916	10,923	6,992				

3. Interim Term Consolidated Statements of Retained Earnings

Six months ended September 30, 2001

(Unit: million yen)

Item	Sep. 30, 2001	Mar. 31, 2001
Consolidated retained earnings at beginning	69,929	56,549
Consolidated Appropriation	4,440	4,458
Cash dividend	4,236	4,236
Bonus to directors	204	222
Net income (current)	17,916	17,838
Consolidated retained earnings at end	83,405	69,929

4. Consolidated Statements of Cash Flows

Six months ended September 30, 2001

(Unit: million yen)

	Six months ended Sep. 30, 2001	**Six months ended Sep. 30, 2000**
Operating Activities:		
Income before taxes	29,223	18,156
Depreciation	67,903	56,287
Loss on disposal of property, plant and equipment	385	502
Increase in retirement benefit obligation	912	9
Interest and dividend income	(335)	(156)
Interest expense and discount charge	35,160	35,670
Decrease (increase) in trade account receivable	2,779	(5,259)
Decrease (increase) in inventories	157	(3,129)
Decrease in trade payable	(5,763)	(6,279)
Loss (profit) on sales of property, plant and equipment	7,894	(332)
Unrealized loss on securities	6,117	103
Other	8,981	19,855
Sub total	153,417	115,426
Interest and dividend received	336	148
Interest and discount charge paid	(27,407)	(36,355)
Payments of income taxes	(12,632)	(8,818)
Net Cash Provided by Operating Activities	113,714	70,401
Investment Activities:		
Purchases of property	(51,078)	(89,521)
Contribution received in aid of construction	2,942	8,071
Proceeds from sales of property	21,667	2,061
Payments for investments and advances	(4,882)	(1,932)
Proceeds from collection of investments and advances	1,517	246
Other	(710)	(354)
Investment Activities	(30,543)	(81,429)
Financing Activities:		
Proceeds from issuance of bonds	35,000	77,536
Redemption of bonds	(30,954)	(39,830)
Proceeds from long-term debts	471	1,875
Repayments of long-term debts	(47,756)	(19,459)
Proceeds from short-term debts	89,099	77,328
Repayments of short-term debts	(88,663)	(89,315)
Payments of dividends	(4,241)	(4,236)
Net Cash used by Financing Activities:	(47,043)	3,899
Effect of Exchange Rate Change on Cash and Cash Equivalents	(29)	(60)
Increase (Decrease) in Cash and Cash Equivalents	36,097	(7,188)
Cash and Cash Equivalents at Beginning	23,186	22,242
Cash and Cash Equivalents at End	59,283	15,053

5. Basic Terms and Conditions for the Preparation of the Interim Term Consolidated Financial Statements

1. Remarks on the Scope of Consolidation

Number of consolidated subsidiaries: 11
EPDC Holding Co., Ltd.
EPDC Industrial Co., Ltd.
KAIHATSUKOJI Co., Ltd.
EPDC Environmental Engineering Service Co., Ltd.
The Kaihatsu Computing Service Center Ltd.
EPDC Coal Tech and Marine Co., Ltd.
KAIHATSUDENKI Co., Ltd.
KEC Corporation
KDC Engineering Co., Ltd.
EPDC Overseas Coal Co., Ltd.
EPDC (Australia) Pty., Ltd.

Given the size of the total asset, turnover, interim term net profit/loss, surplus, etc., those subsidiaries that are excluded from the scope of consolidation (i.e., non-consolidated subsidiaries) do not exercise any material effects on the interim term consolidated financials.

2. Remarks on the Application of Equity-Method Accounting

The non-consolidated subsidiaries and affiliated companies are excluded from the application of equity-method accounting because they contribute only marginally to the net profit/loss and surplus on the consolidated basis, and do not exercise any material effects on the interim term consolidated financial statements.

3. Remarks on the Interim Term Closing Date, etc. of Consolidated Subsidiaries

With the exception of one overseas consolidated subsidiary, the interim term closing date of all consolidated subsidiaries are the same as the closing date for the consolidated financial statements. The company concerned is EPDC (Australia) Pty., Ltd. and its closing date for interim account is June 30, 2001. As for EPDC (Australia) Pty., Ltd., We used the financial statements as of June 30, 2001 and made the necessary adjustments to the figures for the preparation of the consolidation statements. We took into consideration some important developments seen during the period between June 30, 2001 and the interim term closing date on the consolidated basis.

4. Remarks on the Accounting Standards

(1) Standards and methods for valuing important assets

(a) Long-term investments (other negotiable securities)

The market price method is used to assess the values of the publicly-traded securities. (If they were sold, the moving average method is applied to determine the sale prices to be accounted for in the statements.) The market prices on the interim term closing date have been used in these calculations. The differences between the book values and the current market prices are capitalized entirely in accordance with the entire capitalization method.

For the valuation of securities having no quoted prices in any public market, the moving-average cost method is used.

(b) Derivatives: Market price method

(c) Money in trust for investment purpose: Cost method

(d) Inventories: The weighted-average cost method is used for the valuation of inventories of coal and general supplies.

(2) Method of depreciation of important depreciable assets

(a) Method of depreciation

Generally, the fixed-percentage method is applied to buildings, structures and machinery equipment, and the straight-line method is used for other assets. At Matsuura thermal plant and Tachibanawan thermal plant, however, the straight-line method is adopted for the entire assets, excluding the environmental protection equipment.

(b) Service life (years)

Based on the service life (years) prescribed in the National Corporation Tax Law.

(3) Standards for appropriating allowances for important reserves

(a) Allowance for doubtful accounts

Based on the actual loan-loss percentage, the estimated uncollectable amount given in the accounts covers the potential loss incurred on general credits based on the rate of bad debts.

The loan loss reserve has been adjusted by eliminating certain receivables and payables.

(b) Reserves for termination and retirement benefits

Based on the estimated shortage in the termination and retirement benefits and the estimated pension funds, we have appropriated the amount incurred by us at the end of the current interim term in readiness for the retirement benefit payments.

During the current interim term for the consolidated financial statements, we wrote off 6/24 of ¥11,740 million, the extra charge due to a change in the accounting rule.

(c) Reserve for drought

Pursuant to the provision of Article 36 of the Electric Utility Law and according to the "Ministerial Ordinance Concerning Reserve for Drought" (the No. 56 Ministerial Ordinance of the Ministry of International Trade and Industry in 1965), we have allowed in the accounts for a reserve for drought in readiness for potential loss due to drought.

(4) Method of converting foreign currency-denominated important assets and liabilities into yen-denominated values (used in the preparation of the interim term financial statements of consolidated subsidiaries subject to the presentation of interim term consolidated financial statements)

The foreign currency-denominated money claims and debts are converted into yen-denominated amounts at the spot exchange rates as of the interim term closing date and the exchange gains/losses are posted to the profit/loss account. The assets, liabilities, earnings and expenses at overseas subsidiaries are converted into yen-denominated amounts at the spot exchange rates ruling on the interim term closing date. The relevant exchange gains/losses are appropriated for the minority interest and for foreign-exchange reconciliation account of the equity section.

(5) Accounting method for important lease transactions

With the exception of finance lease transactions deemed to transfer ownership rights of leased properties to the lessee, the finance lease transactions are accounted for in conformity with the accounting method for ordinary rental transactions.

(6) Method of important hedge accounting

(a) Method of hedge accounting

We have adopted the deferred hedge accounting procedure and the proportional reduction method over the period (based on the difference in the values between the prices of the currency hedging instrument and the spot exchange rates) if the foreign-exchange hedging operation satisfies the requirements of the proportional reduction over the period. We have applied the special treatment method if the foreign-exchange hedging operation satisfies the requirements of the special treatment.

(b) Hedging vehicle and objects to be hedged

i) Hedging vehicles: Forward exchange contracts, currency swaps
Objects to be hedged: Foreign currency-denominated corporate

bonds, the principle amounts of, and interests, on foreign currency-denominated loans

ii) Hedging vehicle: Interest rate swap
Objects to be hedged: The principal and interest payments of corporate bonds

(c) Hedging policy
In compliance with our in-house rules for derivatives transactions, we have used hedging operations to reduce exposure to foreign-exchange and interest-rate fluctuation risks. We do not hold derivatives speculatively.

(d) Method to assess the effectiveness of hedging operations
We have compared the changes in the values of the objects to be hedged and the values of the hedging vehicles. Based on the magnitude of the changes, we have assessed their effectiveness.

(7) Other important items used for the preparation of the consolidated financial statements

(a) Capitalization of interest cost (Adding interests on loans to the cost of the relevant asset acquisition)
Pursuant to Accounting Rules for the Electric Utility Industry (the No. 57 Ministerial Ordinance of the Ministry of International Trade and Industry in 1965), the parent has transferred interests due on loans for investment in power business related plant and equipment to the relevant account titled construction cost.

(b) Accounting treatment of consumption tax, etc.
The after-tax method is used for the accounting of consumption tax and local consumption tax.

5. The Scope of Cash and cash Equivalents in the Interim term Consolidated Statements of Cash Flow

The cash and cash equivalents in the interim term consolidated statement of cash flow include current cash flow, accessible bank deposits, and low-risk, easily-convertible money market instruments with less than 3-month maturity.

V. Segment Information

1. Segment Information by Business Type

The first half of the current consolidated accounting year

(from April 1, 2001 to September 30, 2001) (Unit: million yen)

	Electric utility business	Other business	Total	Eliminations of inter-segment transactions or Head Quarters	Consolidated
Turnover					
(1) Sales to external customers	277,595	16,769	294,364	—	294,364
(2) Intra-segment sales or transfers	185	57,717	57,903	(57,903)	—
Total	277,781	74,486	352,267	(57,903)	294,364
Operating expense	201,799	73,582	275,381	(58,368)	217,013
Operating profit	75,981	904	76,885	465	77,351

(Notes) 1) Business segmentation: The segmentation is made by taking into consideration the actual business lines.

2) Names of core product lines and business segments

Business segment	Core product lines and/or business lines
Electric utility business	Wholesale power sales
Other business	Electrical engineering/civil engineering works, fuel oil transportation, assignment-basis computing services, computer lease, electronics-applied and communications equipment maintenance, management of buildings, construction/ operation/ maintenance of environmental protection equipment, coal transportation to thermal power plants, ash disposal, fly ash sales, insurance agent, coal exploration

The first half of the preceding consolidated accounting year

(from April 1, 2000 to September 30, 2000) (Unit: million yen)

	Electric utility business	Other businesses	Total	Eliminations of inter-segment transactions or Head Quarters	Consolidated
Turnover					
(1) Sales to external customers	237,478	14,394	251,872	—	251,872
(2) Intra-segment sales or transfers	173	71,120	71,293	(71,293)	—
Total	237,652	85,514	323,166	(71,293)	251,872
Operating expense	173,853	82,683	256,536	(69,380)	187,156
Operating profit	63,798	2,830	66,629	(1,913)	64,716

(Notes) 1) Business segmentation: The segmentation is made by taking into consideration the actual business lines.

(Notes) 2) Names of core product lines and business segments

Business segment	Core product lines and/or business lines
Electric utility business	Wholesale power sales
Other business	Electrical engineering/civil engineering works, fuel oil transportation, assignment-basis computing services, computer lease, electronics-applied and communications equipment maintenance, management of buildings, construction/ operation/ maintenance of environmental protection equipment, coal transportation to thermal power plants, ash disposal, fly ash sales, insurance agent, coal exploration

2. Segment Information by Region

The first half of the current accounting year (from April 1, 2001 to September 30, 2001)	The first half of the preceding accounting year (from April 1, 2000 to September 30, 2000)
We have omitted the geographical segment information because the sales and operating profit in the domestic market account for over 90% of the total sales and the total operating profit on a consolidated basis during the interim term to September 30, 2001.	We have omitted the geographical segment information because the sales and operating profit in the domestic market account for over 90% of the total sales and the total operating profit on a consolidated basis during the interim term to September 30, 2000.

3. Overseas Sales

The first half of the current accounting year (from April 1, 2001 to September 30, 2001)	The first half of the preceding accounting year (from April 1, 2000 to September 30, 2000)
We have omitted the overseas sales because the total overseas sales for the interim term account for less than 10% of the overall sales on a consolidated basis.	We have omitted the overseas sales because the total overseas sales for the interim term account for less than 10% of the overall sales on a consolidated basis.

VI. Lease

(Unit: million yen)

<table>
<tr><th>Six months ended September 30, 2001</th><th>Six months ended September 30, 2000</th></tr>
<tr><td>Finance/leasing transaction other than those acknowledging the transfer of ownership in the leased property to the lessee.</td><td>Finance/leasing transaction other than those acknowledging the transfer of ownership in the leased property to the lessee.</td></tr>
<tr><td>**1. Lessee**
(1) Acquisition value of leased property, accumulated depreciation value and residual value at end of interim term</td><td>**1. Lessee**
(1) Acquisition value of leased property, accumulated depreciation value and residual value at end of interim term</td></tr>
<tr><td>
<table>
<tr><th></th><th>Acquisition value of leased property</th><th>Accumulated depreciation value</th><th>Residual value at end of iterim term</th></tr>
<tr><td>Electric utility & facilities</td><td>10,012</td><td>3,085</td><td>6,926</td></tr>
<tr><td>Non-current assets</td><td>3,292</td><td>1,831</td><td>1,460</td></tr>
<tr><td>Total</td><td>13,304</td><td>4,917</td><td>8,387</td></tr>
</table>
</td><td>
<table>
<tr><th></th><th>Acquisition value of leased property</th><th>Accumulated depreciation value</th><th>Residual value at end of iterim term</th></tr>
<tr><td>Electric utility & facilities</td><td>3,647</td><td>2,222</td><td>1,425</td></tr>
<tr><td>Non-current assets</td><td>3,492</td><td>1,991</td><td>1,500</td></tr>
<tr><td>Total</td><td>7,139</td><td>4,213</td><td>2,926</td></tr>
</table>
</td></tr>
<tr><td>The acquisition value of the leased property has been calculated by including the interests payable on the property, seeing that the residual of the leasing charges still payable at the end of the interim leasing period accounts for only a small proportion of the residual of the property at the end of the interim term.</td><td>The acquisition value of the leased property has been calculated by including the interests payable on the property, seeing that the residual of the leasing charges still payable at the end of the interim leasing period accounts for only a small proportion of the residual of the property at the end of the interim term.</td></tr>
<tr><td>(2) Residual of leasing charges still payable at the end of the interim term</td><td>(2) Residual of leasing charges still payable at the end of the interim term</td></tr>
<tr><td>
<table>
<tr><td>Within 1 year</td><td>2,306</td></tr>
<tr><td>In excess of 1 year</td><td>6,080</td></tr>
<tr><td>Total</td><td>8,387</td></tr>
</table>
</td><td>
<table>
<tr><td>Within in 1 year</td><td>1,135</td></tr>
<tr><td>In excess of 1 year</td><td>1,790</td></tr>
<tr><td>Total</td><td>2,926</td></tr>
</table>
</td></tr>
<tr><td>The residual of leasing charges still payable at the end of the interim term has been calculated by including the interests payable on the property assets, seeing that the residual of the leasing charges still payable at the end of the interim leasing period accounts for only a small proportion of the residual of the property assets at the end of the interim term.</td><td>The residual of leasing charges still payable at the end of the interim term has been calculated by including the interests payable on the property assets, seeing that the residual of the leasing charges still payable at the end of the interim leasing period accounts for only a small proportion of the residual of the property assets at the end of the interim term.</td></tr>
<tr><td>(3) Leasing charges and depreciation amount</td><td>(3) Leasing charges and depreciation amount</td></tr>
<tr><td>
<table>
<tr><td>Leasing charges</td><td>841</td></tr>
<tr><td>Depreciation</td><td>841</td></tr>
</table>
</td><td>
<table>
<tr><td>Leasing charges</td><td>680</td></tr>
<tr><td>Depreciation</td><td>680</td></tr>
</table>
</td></tr>
<tr><td>(4) Depreciation amount: Assuming that the leasing period is equivalent to the service life (years) of the property and that the value of the property will be zero at the end of its service life, the property is depreciated by the straight-line mothod.</td><td>(4) Depreciation amount: Assuming that the leasing period is equivalent to the service life (years) of the property and that the value of the property will be zero at the end of its service life, the property is depreciated by the straight-line mothod.</td></tr>
</table>

(Unit: million yen)

Six months ended September 30, 2001

2. Lessor

(1) Acquisition value of leased property, accumulated depreciation and residual values at end of interim term

	Acquisition value of leased property	Accumulated depreciation value	Residual receivable at end of interim term
Other property	75	44	31
Total	75	44	31

(2) Residual of leasing charge still receivable at the end of the interim term

Within 1 year	20
In excess of 1 year	30
Total	50

The residual of the leasing charges still receivable at the end of the interim term has been calculated by including the interests receivable on the property assets, seeing that total of the residual of the leasing charges still receivable at the end of the interim term plus the residual of the estimated residual value of the property account for only a small proportion of the residual of the operating credits at the end of the interim term.

(3) Leasing charges receivable and depreciation value

Leasing charges receivable	12
Depreciation value	8

Six months ended September 30, 2000

2. Lessor

(1) Acquisition value of leased property, accumulated depreciation and residual values at end of interim term

	Acquisition value of leased property	Accumulated depreciation value	Residual receivable at end of interim term
Other property	75	59	16
Total	75	59	16

(2) Residual of leasing charge still receivable at the end of the interim term

Within 1 year	17
In excess of 1 year	11
Total	28

The residual of the leasing charges still receivable at the end of the interim term has been calculated by including the interests receivable on the property assets, seeing that total of the residual of the leasing charges still receivable at the end of the interim term plus the residual of the estimated residual value of the property account for only a small proportion of the residual of the operating credits at the end of the interim term.

(3) Leasing charges receivable and depreciation value

Leasing charge receivable	14
Depreciation value	3

VII. Securities

1. Marketable Securities

(Unit: million yen)

Item	As of September 30, 2001			As of September 30, 2000		
(1) Held-to-maturity bonds	Carrying amount	Market	Unrealized gain (loss)	Carrying amount	Market	Unrealized gain (loss)
1) Government and local bonds	—	—	—	75	75	0
2) Corporate bonds	326	360	33	366	396	29
3) Other	—	—	—	—	—	—
Subtotal	326	360	33	442	471	29
(2) Other securities	Acquisition cost	Carrying amount	Unrealized gain (loss)	Acquisition cost	Carrying amount	Unrealized gain (loss)
1) Stocks	91	378	287	155	800	645
2) Government and local bonds	—	—	—	—	—	—
3) Corporate bonds	—	—	—	—	—	—
4) Other	—	—	—	—	—	—
Subtotal	91	378	287	155	800	645
Total	418	739	320	597	1,271	674

2. Non-marketable Main Securities

(Unit: million yen)

Item	As of September 30, 2001	As of September 30, 2000
(1) Held-to-maturity bonds	Carrying amount	Carrying amount
1) Non listed foreign bonds	—	—
2) Other	—	—
Subtotal	—	—
(2) Other securities	Carrying amount	Carrying amount
1) Non listed stocks (except over-the-counter stocks)	9,633	9,635
2) Non listed foreign stocks	1,026	266
3) Equity investment	1,849	7,955
4) Foreign equity investment	177	141
5) Other	1,090	—
Subtotal	13,778	17,999
Total	13,778	17,999

VIII.   Derivatives

<For the six months ended September 30, 2001>
Nothing to state as derivatives transactions are subject to hedge accounting.

<For the six months ended September 30, 2000>
Nothing to state as derivatives transactions are subject to hedge accounting.

Interim Term Statement Information (Non-consolidated) for the Year Ending March 31, 2002

Electric Power Development Co., Ltd. (As of November 22, 2001)
6-15-1, Ginza, Chuo-ku, Tokyo
Inquiry: Accounting group leader of accounting department
Name: Mr. Shigemitsu Ogawa TEL: 03 (3546) 2211
Interim dividend plan: Nil

1. Interim Term Result for Six Months Ended September 30, 2001 (April 1, 2001 ~ September 30, 2001)

(1) Operating Result (Note) Figures smaller than one million yen are round down.

	Sales	Operating income	Ordinary profit
	million yen (%)	million yen (%)	million yen (%)
Six months ended September 30, 2001	277,781 (16.9)	75,981 (19.1)	41,196 (40.5)
Six months ended September 30, 2000	237,652 (5.3)	63,798 (15.0)	29,317 (49.8)
For the year ended March 30, 2001	495,307	110,369	35,334

	Semi-annual net income (current)	Semi-annual net income (current) per share	Accounting process standard
	million yen (%)	Yen Sen	
Six months ended September 30, 2001	17,615 (56.0)	249.51	Six months ended September 30, 2001
Six months ended September 30, 2000	11,289 (–3.7)	159.90	Six months ended September 30, 2000
For the year ended March 30, 2001	14,757	209.04	―

(Note) 1) Average numbers of shares during the period
For six months ended September 30, 2001: 70,600 shares. For six months ended September 30, 2000: 70,600 shares
For six months ended March 31, 2001: 70,600 shares
2) Change in accounting procedures: Nil
3) (%) for Sales, Operating income, Ordinary income, and Interim term (current) net income represents increase (decrease) against the interim term in previous year.

(2) Dividend

	Interim dividend per share	Annual dividend per share
	Yen Sen	Yen Sen
Six months ended September 30, 2001	―	―
Six months ended September 30, 2000	―	―
For the year ended March 30, 2001	―	60.00

(Note) 1,000 yen per par-value stock

(3) Financial Condition

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity ratio per share
	million yen	million yen	(%)	Yen Sen
Six months ended September 30, 2001	2,326,202	143,961	6.2	2,039.11
Six months ended September 30, 2000	2,334,601	127,168	5.4	1,801.25
For the year ended March 30, 2001	2,356,878	130,637	5.5	1,850.38

(Note) Issued and outstanding shares at end
for six months ended September 30, 2001: 70,600 shares, for six months ended September 30, 2000: 70,600 shares
for six months ended March 31, 2001: 70,600 shares

2. Estimated Operating Results for the Year Ending March 31, 2002 (April 1, 2001 ~ March 31, 2002)

	Sale	Ordinary income	Semi-annual net income (current)	Annual dividend per share	
				At year end	
	million yen	million yen	million yen	Yen Sen	Yen Sen
Annual	about 545,000	about 37,000	about 15,000	60.00	―

(Note) Net income for the year ending March 31, 2002 is estimated about¥212 per share.

Interim Term Balance Sheets

Electric Power Development Co., Ltd. as of September 30, 2001 (Unit: million yen)

Assets			
Item	**As of Sep. 30, 2001**	**As of Mar. 31, 2001**	**Increase (decrease)**
Non-current Assets	**2,196,913**	**2,256,302**	**(59,388)**
Electric Utility and Related Facilities	**1,769,200**	**1,852,826**	**(83,626)**
Hydroelectric power generating facilities	511,192	523,932	(12,740)
Thermal power generating facilities	825,681	854,875	(29,194)
Transmission lines	340,425	351,915	(11,490)
Substations	53,095	55,447	(2,352)
Communication facilities	11,596	10,208	1,387
Offices	27,208	56,445	(29,236)
Facilities under Construction/ Disposal	**381,368**	**362,545**	**18,823**
Under construction	380,243	361,353	18,890
Under disposal	1,124	1,192	(67)
Investments and Other Assets	**46,344**	**40,930**	**5,414**
Long-term investments	17,301	21,264	(3,962)
Investments in and loans to subsidiaries and affiliates	11,336	2,516	8,820
Long-term prepaid expenses	1,973	1,460	512
Deferred tax assets	15,748	15,695	53
Allowance for doubtful accounts	(15)	(5)	(9)
Current Assets	**129,288**	**100,576**	**28,712**
Cash and equivalents	41,509	2,539	38,970
Trade accounts receivable	48,682	47,513	1,169
Other receivables	1,741	12,977	(11,235)
Marketable securities	7,999	4,499	3,500
Fuels, material and supplies	10,290	11,059	(769)
Prepaid expenses	3,579	1,110	2,468
Loans to subsidiaries and affiliates	738	7,463	(6,724)
Deferred tax assets	2,778	2,517	261
Other current assets	11,805	10,996	808
Accounts receivable-overseas technical cooperation projects	277	137	140
Allowance for doubtful accounts	(114)	(237)	123
Total	2,326,202	2,356,878	(30,675)

Liabilities and Shareholder's Equity			
Item	**As of Sep. 30, 2001**	**As of Mar. 31, 2001**	**Increase (decrease)**
Non-current Liabilities	**1,915,540**	**1,924,154**	**(8,614)**
Bonds	868,311	848,311	20,000
Long-term debt	1,014,268	1,042,951	(28,682)
Non-current accrued liabilities	2,646	3,446	(799)
Non-current liabilities to subsidiaries and affiliates	3	31	(28)
Reserve for termination and retirement benefits	30,299	29,403	896
Other non-current liabilities	10	10	0
Current Liabilities	**266,701**	**301,738**	**(35,036)**
Current portion of long-term debt	123,673	157,411	(33,738)
Short-term debt	62,400	62,500	(100)
Trade accounts payable	2,796	1,840	955
Other payable	15,398	31,075	(15,677)
Accrued expenses	26,480	17,803	8,677
Accrued income taxes	18,546	12,665	5,880
Deposit liabilities	386	286	100
Short-term liabilities to subsidiaries and affiliates	11,540	13,563	(2,023)
Other advance received	3,094	2,563	530
Other current liabilities	2,186	2,027	159
Overseas technical service charge in advance	197	—	197
Reserve for Drought (Article 36 of Electric Utility Law)	**—**	**349**	**(349)**
Total Liabilities	2,182,241	2,226,241	(43,999)
Shareholders' Equity	**70,600**	**70,600**	**—**
Legal Reserve	**5,138**	**4,707**	**431**
Earned reserve	5,138	4,707	431
Retained Earnings	**68,206**	**55,329**	**12,876**
Reverse for loss from overseas investments	11	5	6
Reverse for special depreciation	1,960	1,960	—
General reserve	35,000	25,000	10,000
Retained earnings	31,234	28,364	2,870
(Net income included)	(17,615)	(14,757)	(2,857)
Net Unrealized Gains on Securities	**16**	**—**	**16**
Total Shareholders' Equity	143,961	130,637	13,324
Total	2,326,202	2,356,878	(30,675)

(Notes)

1. Depreciation method applied to the Electric Utility and related Facilities:
   The declining-balance method has been applied for calculating the depreciation of buildings, structures and equipment and machinery and the straight-line method to other facilities. In the case of the Matsuura and Tachibanawan Thermal Power Stations, however, all utility and related facilities, except for environmental protection equipment, have been depreciated by the straight-line method.

2. Evaluation of assets:
   The value of long-term investments tied up in non-marketable securities and the value of long-term investments tied up in subsidiaries and affiliates have been calculated by the moving average cost method.
   The value of stocks consisting of fuels and general supplies has been calculated by the monthly average cost method.

3. Accounting of reserve for termination and retirement benefits:
   The value entered in the accounts for the reserves allocated to retirement and termination benefits for employees has been assessed on the anticipated amount of retirement and termination liability as of the end of the current fiscal year and the value given in the account is the amount acknowledged as being due as of the end of the interim term under report.
   The difference of 10,413 million yen resulting from the Company's change of its accounting standards has been split proportionally over two years.

4. Accounting of consumption tax:
   The values of transactions shown in the accounts are exclusive of national and local consumption tax.

5. Cumulative depreciation of tangible fixed assets: 1,620,730 million yen

6. Guarantee liabilities: 14,870 million yen
   Contingent liabilities arising under agreements for the assumption of company-issued bonds: 35,070 million yen

7. Leasing business:

Finance/leasing transactions other than those acknowledging the transfer of ownership in the leased property to the lessee.

(1) Acquisition value of leased property, accumulated depreciation value and residual value at end of interim term

Acquisition value of leased property	Accumulated depreciation value	Residual value at end of interim term
14,040 million yen	5,818 million yen	8,222 million yen

Note: The acquisition value of the leased property has been calculated by including the interests payable on the property, seeing that the residual of the leasing charges still payable at the end of the interim term accounts for only a small proportion of the residual of the property at the end of the interim term.

(2) Residual of leasing charges still payable at the end of the interim term

Within 1 year	In excess of 1 year	Total
2,308 million yen	5,914 million yen	8,222 million yen

Note: The residual of leasing charges still payable at the end of the interim term has been calculated by including the interests payable on the property assets, seeing that the residual of the leasing charges still payable at the end of the interim term accounts for only a small proportion of the residual of the property assets at the end of the interim term.

(3) Leasing charges and depreciation amount

Leasing charges	Depreciation amount
860 million yen	860 million yen

(4) Depreciation amount:

Assuming that the leasing period is equivalent to the service life (years) of the property and that the value of the property will be zero at the end of its service life, the property is depreciated by the straight-line method.

Interim Term Statement of Income

Electric Power Development Co., Ltd. **From April 1, 2001 to September 30, 2001** (Unit: million yen)

Expenses				Revenues			
Item	Six months ended Sep. 30		Increase (decrease)	Item	Six months ended Sep. 30		Increase (decrease)
	2001	2000			2001	2000	
Operating Expenses	**201,799**	**173,853**	**27,945**	**Operating Revenues**	**277,781**	**237,652**	**40,129**
Hydroelectric power generation expenses	30,280	31,045	(764)	Electric power sales	243,163	204,098	39,065
Thermal electric power generation expenses	119,641	92,525	27,116	Wheeling (transmission)	33,575	32,681	893
Transmission expenses	16,733	16,789	(56)	Other	1,042	871	170
Transformer expenses	4,013	3,800	213				
Sales expenses	432	411	20				
Communication expenses	2,153	2,059	94				
General administrative expenses	24,923	24,117	805				
Local corporation taxes	3,621	3,104	517				
Operating profit	(75,981)	(63,798)	(12,183)				
Financial Expenses	**34,955**	**35,888**	**(933)**	**Financial Revenues**	**132**	**44**	**87**
Interest paid	34,711	35,011	(300)	Divided received	55	14	40
Write-off of new bond issue expenses	244	413	(169)	Interest received	77	30	47
Write-off of bond discount	—	463	(463)				
Overseas Technical Cooperation Projects	**475**	**—**	**475**	**Overseas Technical Cooperation Projects**	**523**	**—**	**523**
Non-Operating Expenses	**302**	**526**	**(223)**	**Non-Operating Revenues**	**291**	**1,889**	**(1,598)**
Loss on sales of fixed assets	0	—	0	Gain on sales of fixed assets	67	386	(318)
Other loss	302	526	(223)	Other revenues	224	1,503	(1,279)
Ordinary Expenses Total	**237,532**	**210,268**	**27,264**	**Ordinary Revenues Total**	**278,728**	**239,586**	**39,142**
Ordinary Profit	**41,196**	**29,317**	**11,878**				
Reserve for drought-net	(349)	(190)	(158)				
Special loss	**13,845**	**11,670**	**2,175**				
Reserve for termination and retirement benefits	—	11,670	(11,670)				
Loss associated with the conversion of Head Office building to securities	7,894	—	7,894				
Evaluation loss on securities	5,951	—	5,951				
Income before Taxes	**27,699**	**17,837**	**9,862**				
Income taxes - current	10,408	11,815	(1,407)				
- deferred	(324)	(5,267)	4,943				
Net Income	**17,615**	**11,289**	**6,326**				
Net Income at Beginning	13,619	13,606	12				
Net Income at End	31,234	24,895	6,338				

[Appendix-1]

Statements of Revenue and Expenses

(Unit: million yen)

Item		For six months ended Sep. 30		vs. Previous period		Percentage of total (%)	
		2001 (A)	2000 (B)	Increase (decrease) (A-B)	(A/B)%	Six months ended September 30	
						2001	2000
Ordinary Revenue	**Operating Revenues**	277,781	237,652	40,129	116.9	99.7	99.2
	Income from electric power sales	243,163	204,098	39,065	119.1	87.2	85.2
	Hydroelectric	71,746	75,605	(3,859)	94.9	25.7	31.6
	Thermal	171,417	128,492	42,924	133.4	61.5	53.6
	Wheeling (transmission)	33,575	32,681	893	102.7	12.1	13.6
	Miscellaneous Income	1,042	871	170	119.5	0.4	0.4
	Non-operating revenues	947	1,934	(986)	49.0	0.3	0.8
	Total	278,728	239,586	39,142	116.3	100.0	100.0
Ordinary Expenses	**Operating Expenses**	201,799	173,853	27,945	116.1	85.0	82.7
	Personnel	24,003	24,544	(541)	97.8	10.1	11.7
	Production fuel	50,149	39,363	10,785	127.4	21.1	18.7
	Repairing	15,071	14,530	540	103.7	6.3	6.9
	Water right fee	2,535	2,534	0	100.0	1.1	1.2
	Property taxes	7,950	6,850	1,099	116.1	3.4	3.2
	Depreciation	67,943	55,853	12,090	121.6	28.6	26.6
	Other expenses	30,524	27,072	3,452	112.8	12.9	12.9
	Local corporation tax	3,621	3,104	517	116.7	1.5	1.5
	Financial Expenses	34,955	35,888	(933)	97.4	14.7	17.1
	Non-operating Expenses	778	526	251	147.8	0.3	0.2
	Total	237,532	210,268	27,264	113.0	100.0	100.0
Ordinary Profit		41,196	29,317	11,878	140.5		
Reserve for drought-net		(349)	(190)	(158)	183.3		
Special loss		13,845	11,670	2,175	118.6		
Net income before taxes		27,699	17,837	9,862	155.3		
Income taxes - current		10,408	11,815	(1,407)	88.1		
- deferred		(324)	(5,267)	4,943	6.2		
Net Income		17,615	11,289	6,326	156.0		

(Note) Figures smaller than one million yen are round down.

[Appendix 2]

Comparison of Authorized Generating Power, Electricity Sales and Sales Revenue

(1) Maximum authorized generating capacity

(Unit: thousand kW)

	Six months ended September 30	
	2001	2000
Hydro electric	8,261	8,261
Thermal	7,754	6,704
Total	16,015	14,965

(2) Actual sales

(Unit: million kWh, million yen)

	Six months ended September 30			
	2001		2000	
	Electricity sales	Sales revenue	Electricity sales	Sales revenue
Hydro electric	4,672	71,746	5,664	75,605
Thermal	21,699	171,417	18,083	128,492
Total	26,371	243,163	23,747	204,098
Income from wheeling (transmission)	-	33,575	-	32,681
Total	26,371	276,739	23,747	236,780

(3) Water Run-off ratio

(Unit: %)

	Six months ended September 30	
	2001	2000
Water run-off ratio	85	99