

# Tohoku Electric Power Co., Inc.

## Summary of Financial Statements (Unaudited)

(April 1, 2008 - March 31, 2009)

Information below is an English translation of the "Unaudited Financial Release" for the year ended March 31, 2009 which has been filed with the Tokyo Stock Exchange, Inc. and Osaka Securities Exchange Co., Ltd. for public inspection.

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(Note) All monetary values are rounded down to the nearest units as indicated in each table.

### 1. Business Results for Consolidated FY 2008 (Year ended March 31, 2009)

#### (1) Progresses of Financial Results

|                          | Operating revenues |     | Operating income |        | Ordinary income |        | Net income      |        |
|--------------------------|--------------------|-----|------------------|--------|-----------------|--------|-----------------|--------|
|                          | Millions of yen    | %   | Millions of yen  | %      | Millions of yen | %      | Millions of yen | %      |
| Year ended Mar. 31, 2009 | 1,843,234          | 2.3 | (1,540)          | —      | (43,120)        | —      | (31,780)        | —      |
| Year ended Mar. 31, 2008 | 1,802,621          | 4.3 | 80,417           | (40.0) | 38,535          | (61.1) | 17,294          | (67.5) |

  

|                          | Net income per share | Diluted net income per share | Net income / Equity | Ordinary income / Total assets | Operating income / Operating revenues |
|--------------------------|----------------------|------------------------------|---------------------|--------------------------------|---------------------------------------|
|                          | Yen                  | Yen                          | %                   | %                              | %                                     |
| Year ended Mar. 31, 2009 | (63.73)              | —                            | (3.4)               | (1.1)                          | (0.1)                                 |
| Year ended Mar. 31, 2008 | 34.67                | —                            | 1.8                 | 1.0                            | 4.5                                   |

(Note) Percentage figures represent changes as compared to the same period of the previous year.

#### (2) Changes in Financial Positions

|               | Total assets    | Net assets      | Equity ratio to total assets | Net assets per share |
|---------------|-----------------|-----------------|------------------------------|----------------------|
|               | Millions of yen | Millions of yen | %                            | Yen                  |
| Mar. 31, 2009 | 4,019,321       | 948,291         | 22.3                         | 1,798.50             |
| Mar. 31, 2008 | 4,033,835       | 1,015,352       | 23.9                         | 1,933.42             |

#### (3) Situations of Cash Flows

|                          | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of the year |
|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                          | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                              |
| Year ended Mar. 31, 2009 | 224,976                              | (228,655)                            | 9,296                                | 129,905                                      |
| Year ended Mar. 31, 2008 | 277,100                              | (159,133)                            | (112,675)                            | 124,359                                      |

### 2. Dividends

|                                      | Cash dividends per share |       |     |          |              | Dividends paid for the year | Dividends payout ratio | Dividends / Net assets |
|--------------------------------------|--------------------------|-------|-----|----------|--------------|-----------------------------|------------------------|------------------------|
|                                      | 1Q                       | 2Q    | 3Q  | Year-end | Annual total |                             |                        |                        |
|                                      | Yen                      | Yen   | Yen | Yen      | Yen          | Millions of yen             | %                      | %                      |
| Year ended Mar. 31, 2008             | —                        | 30.00 | —   | 30.00    | 60.00        | 29,925                      | 173.1                  | 3.1                    |
| Year ended Mar. 31, 2009             | —                        | 30.00 | —   | 30.00    | 60.00        | 29,916                      | —                      | 3.2                    |
| Year ending Mar. 31, 2010 (forecast) | —                        | 30.00 | —   | 30.00    | 60.00        | —                           | 88.0                   | —                      |

### 3. Business Results Forecast for Consolidated FY 2009 (Year ending March 31, 2010)

|                           | Operating revenues |       | Operating income |   | Ordinary income |   | Net income      |   | Net income per share |
|---------------------------|--------------------|-------|------------------|---|-----------------|---|-----------------|---|----------------------|
|                           | Millions of yen    | %     | Millions of yen  | % | Millions of yen | % | Millions of yen | % | Yen                  |
| Second quarter of FY 2009 | 840,000            | (4.9) | 50,000           | — | 29,000          | — | 16,000          | — | 32.09                |
| FY 2009                   | 1,720,000          | (6.7) | 103,000          | — | 60,000          | — | 34,000          | — | 68.19                |

(Note) Percentage figures represent changes as compared to the same period of the previous year.

## (Reference) Summary of Non-Consolidated Financial Statements

### 1. Business Results for Non-Consolidated FY 2008 (Year ended March 31, 2009)

#### (1) Progresses of Financial Results

|                          | Operating revenues |     | Operating income |        | Ordinary income |        | Net income      |        |
|--------------------------|--------------------|-----|------------------|--------|-----------------|--------|-----------------|--------|
|                          | Millions of yen    | %   | Millions of yen  | %      | Millions of yen | %      | Millions of yen | %      |
| Year ended Mar. 31, 2009 | 1,665,037          | 4.3 | (24,196)         | —      | (62,609)        | —      | (39,416)        | —      |
| Year ended Mar. 31, 2008 | 1,595,922          | 3.2 | 53,653           | (50.5) | 14,191          | (81.5) | 6,774           | (84.9) |

  

|                          | Net income per share | Diluted net income per share |
|--------------------------|----------------------|------------------------------|
|                          | Yen                  | Yen                          |
| Year ended Mar. 31, 2009 | (79.05)              | —                            |
| Year ended Mar. 31, 2008 | 13.58                | —                            |

(Note) Percentage figures represent changes as compared to the same period of the previous year.

#### (2) Changes in Financial Positions

|               | Total assets    | Net assets      | Equity ratio to total assets | Net assets per share |
|---------------|-----------------|-----------------|------------------------------|----------------------|
|               | Millions of yen | Millions of yen | %                            | Yen                  |
| Mar. 31, 2009 | 3,681,171       | 770,984         | 20.9                         | 1,546.36             |
| Mar. 31, 2008 | 3,675,908       | 845,126         | 23.0                         | 1,694.60             |

### 2. Business Results Forecast for Non-Consolidated FY 2009 (Year ending March 31, 2010)

|                           | Operating revenues |       | Operating income |   | Ordinary income |   | Net income      |   | Net income per share |
|---------------------------|--------------------|-------|------------------|---|-----------------|---|-----------------|---|----------------------|
|                           | Millions of yen    | %     | Millions of yen  | % | Millions of yen | % | Millions of yen | % | Yen                  |
| Second quarter of FY 2009 | 760,000            | (5.6) | 40,000           | — | 20,000          | — | 12,000          | — | 24.07                |
| FY 2009                   | 1,550,000          | (6.9) | 80,000           | — | 40,000          | — | 25,000          | — | 50.14                |

(Note) Percentage figures represent changes as compared to the same period of the previous year.

## CONSOLIDATED BALANCE SHEETS (Unaudited)

FY 2007 (As of March 31, 2008) and FY 2008 (As of March 31, 2009)

### Assets

(Millions of yen)

| Item   | March 31, 2008 | March 31, 2009 |
|--|----------------|----------------|
| Fixed assets (property, plant and equipment):          | 3,634,639      | 3,588,986      |
| Electric utility fixed assets:                         | 2,612,144      | 2,519,178      |
| Hydro power plant                                      | 180,852        | 175,027        |
| Thermal power plant                                    | 359,072        | 339,861        |
| Nuclear power plant                                    | 435,347        | 396,939        |
| Transmission plant                                     | 639,936        | 628,504        |
| Transformation plant                                   | 262,023        | 252,488        |
| Distribution plant                                     | 612,788        | 608,188        |
| General plant  | 115,819        | 111,166        |
| Other  | 6,304          | 7,003          |
| Other fixed assets                                     | 262,134        | 252,321        |
| Construction work in progress                          | 182,207        | 248,002        |
| Nuclear fuel:  | 140,775        | 142,309        |
| Loaded nuclear fuel                                    | 32,043         | 26,949         |
| Nuclear fuel under processing                          | 108,732        | 115,360        |
| Investments in and advances to:                        | 437,378        | 427,174        |
| Long-term investments                                  | 79,582         | 72,684         |
| Fund for reprocessing costs of irradiated nuclear fuel | 106,016        | 105,445        |
| Deferred income taxes                                  | 154,252        | 154,231        |
| Other  | 98,719         | 96,292         |
| Allowance for uncollectibles                           | (1,192)        | (1,479)        |
| Current assets:  | 399,195        | 430,335        |
| Cash and deposits                                      | 121,081        | 112,952        |
| Trade notes receivable and amounts due from customers  | 140,655        | 140,553        |
| Inventories  | 69,378         | 84,311         |
| Deferred income taxes                                  | 16,664         | 38,643         |
| Other  | 53,348         | 54,936         |
| Allowance for uncollectibles                           | (1,933)        | (1,063)        |
| Total assets   | 4,033,835      | 4,019,321      |

**Liabilities and net assets**

(Millions of yen)

| Item  | March 31, 2008   | March 31, 2009   |
|---|------------------|------------------|
| <b>Fixed liabilities:</b>                                     | <b>2,274,354</b> | <b>2,304,365</b> |
| Bonds   | 1,160,524        | 1,210,550        |
| Long-term debt  | 588,530          | 588,675          |
| Accrued retirement benefits                                   | 188,484          | 187,612          |
| Reserve for reprocessing costs of irradiated nuclear fuel     | 109,470          | 109,619          |
| Pre-reserve for reprocessing costs of irradiated nuclear fuel | 5,591            | 7,515            |
| Reserve for decommissioning costs of nuclear power units      | 49,007           | 53,320           |
| Deferred income taxes   | 110              | -                |
| Deferred income taxes on revaluation adjustments              | 2,748            | 2,711            |
| Other   | 169,885          | 144,360          |
| <b>Current liabilities:</b>                                   | <b>731,079</b>   | <b>758,808</b>   |
| Current portion of long-term debt                             | 218,669          | 201,865          |
| Short-term borrowings   | 56,148           | 55,660           |
| Trade notes and accounts payable                              | 164,650          | 141,716          |
| Accrued taxes   | 25,362           | 20,799           |
| Other   | 266,248          | 338,766          |
| <b>Reserve:</b>   | <b>13,049</b>    | <b>7,855</b>     |
| Reserve for fluctuation in water levels                       | 13,049           | 7,855            |
| <b>Total liabilities</b>                                      | <b>3,018,483</b> | <b>3,071,029</b> |
| <b>Shareholders' equity:</b>                                  | <b>958,990</b>   | <b>896,989</b>   |
| Common stock  | 251,441          | 251,441          |
| Capital surplus   | 26,678           | 26,702           |
| Retained earnings   | 688,795          | 627,120          |
| Treasury stock, at cost                                       | (7,925)          | (8,275)          |
| <b>Valuation and translation adjustments:</b>                 | <b>5,241</b>     | <b>(293)</b>     |
| Net unrealized holding gain on securities                     | 5,477            | 780              |
| Revaluation adjustments                                       | (1,196)          | (1,222)          |
| Foreign currency translation adjustments                      | 961              | 149              |
| <b>Minority interests in consolidated subsidiaries</b>        | <b>51,120</b>    | <b>51,595</b>    |
| <b>Total net assets</b>                                       | <b>1,015,352</b> | <b>948,291</b>   |
| <b>Total liabilities and net assets</b>                       | <b>4,033,835</b> | <b>4,019,321</b> |

**CONSOLIDATED STATEMENTS OF INCOME (Unaudited)**

FY 2007 (Year ended March 31, 2008) and FY 2008 (Year ended March 31, 2009)

(Millions of yen)

| Item   | Year ended March 31, |           |
|--|----------------------|-----------|
|  | 2008                 | 2009      |
| Operating revenues:  | 1,802,621            | 1,843,234 |
| Electric power   | 1,584,074            | 1,650,508 |
| Other  | 218,546              | 192,725   |
| Operating expenses:  | 1,722,203            | 1,844,774 |
| Electric power   | 1,515,390            | 1,663,443 |
| Other  | 206,812              | 181,331   |
| Operating income (loss)  | 80,417               | (1,540)   |
| Other income:  | 8,088                | 8,408     |
| Dividends income   | 756                  | 839       |
| Interest income  | 2,248                | 2,313     |
| Gain from sales of fixed assets  | 664                  | 103       |
| Other  | 4,418                | 5,150     |
| Other expenses:  | 49,970               | 49,987    |
| Interest expense   | 45,947               | 44,454    |
| Other  | 4,023                | 5,533     |
| Total amount of revenues   | 1,810,709            | 1,851,642 |
| Total amount of expenses   | 1,772,174            | 1,894,762 |
| Ordinary income (loss)   | 38,535               | (43,120)  |
| Special item:  | (6,213)              | (5,193)   |
| Reversal of reserve for fluctuation in water levels                          | (6,213)              | (5,193)   |
| Extraordinary loss:  | 5,792                | -         |
| Provision for decommissioning costs of nuclear power units for prior periods | 5,792                | -         |
| Income (loss) before income taxes and minority interests                     | 38,956               | (37,926)  |
| Current income taxes   | 14,086               | 10,064    |
| Income taxes for prior periods   | -                    | 944       |
| Deferred income taxes  | 4,450                | (19,428)  |
| Total amount of income taxes   | 18,537               | (8,419)   |
| Minority interests in earnings of consolidated subsidiaries                  | 3,124                | 2,272     |
| Net income (loss)  | 17,294               | (31,780)  |

## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (Unaudited)

FY 2007 (As of March 31, 2008) and FY 2008 (As of March 31, 2009)

|  | (Millions of yen) |                |
|--|-------------------|----------------|
| Item                                     | March 31, 2008    | March 31, 2009 |
| <b>Shareholders' equity:</b>             |                   |                |
| Common stock:                            |                   |                |
| Balance as of end of the previous period | 251,441           | 251,441        |
| Changes:                                 |                   |                |
| Net changes                              | -                 | -              |
| Balance as of end of the this period     | 251,441           | 251,441        |
| Capital surplus:                         |                   |                |
| Balance as of end of the previous period | 26,678            | 26,678         |
| Changes:                                 |                   |                |
| Disposal of treasury stock               | -                 | 23             |
| Net changes                              | -                 | 23             |
| Balance as of end of the this period     | 26,678            | 26,702         |
| Retained earnings:                       |                   |                |
| Balance as of end of the previous period | 701,309           | 688,795        |
| Changes:                                 |                   |                |
| Dividend paid                            | (29,930)          | (29,920)       |
| Net income (loss)                        | 17,294            | (31,780)       |
| Reversal of revaluation adjustments      | 122               | 26             |
| Net changes                              | (12,513)          | (61,675)       |
| Balance as of end of the this period     | 688,795           | 627,120        |
| Treasury stock, at cost:                 |                   |                |
| Balance as of end of the previous period | (7,498)           | (7,925)        |
| Changes:                                 |                   |                |
| Purchases of treasury stock              | (426)             | (475)          |
| Disposal of treasury stock               | -                 | 125            |
| Net changes                              | (426)             | (349)          |
| Balance as of end of the this period     | (7,925)           | (8,275)        |
| Total shareholders' equity:              |                   |                |
| Balance as of end of the previous period | 971,930           | 958,990        |
| Changes:                                 |                   |                |
| Dividend paid                            | (29,930)          | (29,920)       |
| Net income (loss)                        | 17,294            | (31,780)       |
| Purchases of treasury stock              | (426)             | (475)          |
| Disposal of treasury stock               | -                 | 148            |
| Reversal of revaluation adjustments      | 122               | 26             |
| Net changes                              | (12,940)          | (62,001)       |
| Balance as of end of the this period     | 958,990           | 896,989        |

(Millions of yen)

| Item  | March 31, 2008 | March 31, 2009 |
|---|----------------|----------------|
| <b>Valuation and translation adjustments:</b>           |                |                |
| Net unrealized holding gain on securities:              |                |                |
| Balance as of end of the previous period                | 11,827         | 5,477          |
| Changes:  |                |                |
| Net changes except for shareholders' equity             | (6,350)        | (4,697)        |
| Net changes   | (6,350)        | (4,697)        |
| Balance as of end of the this period                    | 5,477          | 780            |
| Revaluation adjustments:                                |                |                |
| Balance as of end of the previous period                | (1,074)        | (1,196)        |
| Changes:  |                |                |
| Net changes except for shareholders' equity             | (122)          | (26)           |
| Net changes   | (122)          | (26)           |
| Balance as of end of the this period                    | (1,196)        | (1,222)        |
| Foreign currency translation adjustments:               |                |                |
| Balance as of end of the previous period                | 950            | 961            |
| Changes:  |                |                |
| Net changes except for shareholders' equity             | 10             | (811)          |
| Net changes   | 10             | (811)          |
| Balance as of end of the this period                    | 961            | 149            |
| Total valuation and translation adjustments:            |                |                |
| Balance as of end of the previous period                | 11,703         | 5,241          |
| Changes:  |                |                |
| Net changes except for shareholders' equity             | (6,462)        | (5,534)        |
| Net changes   | (6,462)        | (5,534)        |
| Balance as of end of the this period                    | 5,241          | (293)          |
| <b>Minority interests in consolidated subsidiaries:</b> |                |                |
| Balance as of end of the previous period                | 49,046         | 51,120         |
| Changes:  |                |                |
| Net changes except for shareholders' equity             | 2,073          | 475            |
| Net changes   | 2,073          | 475            |
| Balance as of end of the this period                    | 51,120         | 51,595         |
| <b>Total net assets:</b>                                |                |                |
| Balance as of end of the previous period                | 1,032,681      | 1,015,352      |
| Changes:  |                |                |
| Dividend paid   | (29,930)       | (29,920)       |
| Net income (loss)                                       | 17,294         | (31,780)       |
| Purchases of treasury stock                             | (426)          | (475)          |
| Disposal of treasury stock                              | -              | 148            |
| Reversal of revaluation adjustments                     | 122            | 26             |
| Net changes except for shareholders' equity             | (4,388)        | (5,059)        |
| Net changes   | (17,328)       | (67,060)       |
| Balance as of end of the this period                    | 1,015,352      | 948,291        |

## CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

FY 2007 (Year ended March 31, 2008) and FY 2008 (Year ended March 31, 2009)

(Millions of yen)

| Item  | Year ended March 31, |                  |
|---|----------------------|------------------|
|   | 2008                 | 2009             |
| <b>Operating activities:</b>  |                      |                  |
| Income (loss) before income taxes and minority interests  | 38,956               | (37,926)         |
| Adjustments to reconcile income/loss before income taxes and minority interests to net cash provided by operating activities: |                      |                  |
| Depreciation  | 263,489              | 251,807          |
| Amortization of nuclear fuel  | 10,718               | 9,581            |
| Loss on sales and disposal of property, plant and equipment   | 18,327               | 14,852           |
| Reversal of accrued retirement benefits   | (16,115)             | (871)            |
| Provision for (Reversal of) reserve for reprocessing costs of irradiated nuclear fuel   | (3,799)              | 149              |
| Provision for pre-reserve for reprocessing costs of irradiated nuclear fuel   | 2,464                | 1,923            |
| Provision for reserve for decommissioning costs of nuclear power units  | 10,581               | 4,313            |
| Reversal of reserve for fluctuation in water levels   | (6,213)              | (5,193)          |
| Interest and dividend income  | (3,005)              | (3,153)          |
| Interest expense  | 45,947               | 44,454           |
| Fund for reprocessing costs of irradiated nuclear fuel  | (1,494)              | 570              |
| Changes in operating assets and liabilities:  |                      |                  |
| Amounts due from customers  | (51,507)             | (34,807)         |
| Inventories   | -                    | (14,933)         |
| Accounts payable  | 48,297               | (22,955)         |
| Other operating assets and liabilities  | (11,629)             | 67,396           |
| <b>Subtotal</b>   | <b>345,018</b>       | <b>275,208</b>   |
| Interest and dividends received   | 2,851                | 3,159            |
| Interest paid   | (42,251)             | (41,686)         |
| Income taxes paid   | (28,518)             | (11,704)         |
| <b>Net cash provided by operating activities</b>  | <b>277,100</b>       | <b>224,976</b>   |
| <b>Investing activities:</b>  |                      |                  |
| Acquisition of property, plant and equipment  | (233,459)            | (274,380)        |
| Contributions received in aid of construction   | 79,364               | 46,685           |
| Payments for investments and advances   | (10,042)             | (6,868)          |
| Proceeds from sales or collections of investments and advances  | 2,751                | 5,584            |
| Changes in other assets and liabilities   | 2,252                | 323              |
| <b>Net cash used in investing activities</b>  | <b>(159,133)</b>     | <b>(228,655)</b> |
| <b>Financing activities:</b>  |                      |                  |
| Proceeds from issuance of bonds   | 89,722               | 139,630          |
| Redemption of bonds   | (149,550)            | (100,000)        |
| Proceeds from long-term loans   | 74,807               | 81,643           |
| Repayment of long-term loans  | (105,751)            | (85,873)         |
| Proceeds from short-term borrowings   | 291,733              | 317,227          |
| Repayment of short-term borrowings  | (291,570)            | (317,716)        |
| Proceeds from issuance of commercial paper  | 512,000              | 601,000          |
| Redemption of commercial paper  | (503,000)            | (595,000)        |
| Repayments of lease obligations   | -                    | (538)            |
| Cash dividends  | (29,883)             | (29,918)         |
| Cash dividends to minority shareholders   | (717)                | (715)            |
| Other   | (465)                | (442)            |
| <b>Net cash provided by financing activities</b>  | <b>(112,675)</b>     | <b>9,296</b>     |
| Effect of exchange rate changes on cash and cash equivalents  | (4)                  | (71)             |
| Net increase in cash and cash equivalents   | 5,286                | 5,546            |
| Cash and cash equivalents at beginning of the period  | 119,073              | 124,359          |
| Cash and cash equivalents at end of the period  | 124,359              | 129,905          |

**NON-CONSOLIDATED BALANCE SHEETS (Unaudited)**

FY 2007 (As of March 31, 2008) and FY 2008 (As of March 31, 2009)

**Assets**

(Millions of yen)

| Item   | March 31, 2008   | March 31, 2009   |
|--|------------------|------------------|
| <b>Fixed assets (property, plant and equipment):</b>   | 3,440,190        | 3,407,961        |
| Electric utility fixed assets:                         | 2,644,653        | 2,555,161        |
| Hydro power plant                                      | 156,014          | 151,515          |
| Thermal power plant                                    | 329,106          | 311,496          |
| Nuclear power plant                                    | 437,776          | 399,140          |
| Internal combustion power plant                        | 5,895            | 6,597            |
| Transmission plant                                     | 657,538          | 646,025          |
| Transformation plant                                   | 272,187          | 262,362          |
| Distribution plant                                     | 664,298          | 660,784          |
| General plant  | 121,334          | 116,737          |
| Property leased to others                              | 501              | 501              |
| Incidental business fixed assets                       | 3,733            | 3,098            |
| Other fixed assets                                     | 8,764            | 8,473            |
| Construction work in progress:                         | 177,782          | 243,108          |
| Construction work in progress                          | 174,790          | 241,397          |
| Suspense account for disposal                          | 2,992            | 1,711            |
| Nuclear fuel:  | 140,775          | 142,309          |
| Loaded nuclear fuel                                    | 32,043           | 26,949           |
| Nuclear fuel under processing                          | 108,732          | 115,360          |
| Investments in and advances to:                        | 464,481          | 455,810          |
| Long-term investments                                  | 68,730           | 61,824           |
| Long-term investments in subsidiaries and affiliates   | 183,800          | 184,100          |
| Fund for reprocessing costs of irradiated nuclear fuel | 106,016          | 105,445          |
| Long-term prepaid expenses                             | 4,589            | 3,446            |
| Deferred income taxes                                  | 101,427          | 101,258          |
| Allowance for uncollectibles                           | (84)             | (265)            |
| <b>Current assets:</b>                                 | 235,717          | 273,210          |
| Cash and deposits                                      | 55,020           | 54,560           |
| Amounts due from customers                             | 88,106           | 97,166           |
| Trade notes receivables                                | 14,572           | 5,840            |
| Fuel and supplies                                      | 41,405           | 58,192           |
| Prepaid expenses                                       | 487              | 508              |
| Short-term credits to subsidiaries and affiliates      | 2,275            | 3,004            |
| Deferred income taxes                                  | 11,091           | 32,737           |
| Other current assets                                   | 23,251           | 21,799           |
| Allowance for uncollectibles                           | (493)            | (600)            |
| <b>Total assets</b>                                    | <b>3,675,908</b> | <b>3,681,171</b> |

**Liabilities and net assets**

(Millions of yen)

| Item  | March 31, 2008   | March 31, 2009   |
|---|------------------|------------------|
| <b>Fixed liabilities:</b>                                     | <b>2,172,114</b> | <b>2,208,329</b> |
| Bonds   | 1,160,824        | 1,210,850        |
| Long-term debt  | 542,529          | 550,096          |
| Long-term accrued liabilities                                 | 6,776            | 5,660            |
| Long-term debt to subsidiaries and affiliates                 | 4                | 1,625            |
| Accrued retirement benefits                                   | 145,892          | 145,369          |
| Reserve for reprocessing costs of irradiated nuclear fuel     | 109,470          | 109,619          |
| Pre-reserve for reprocessing costs of irradiated nuclear fuel | 5,591            | 7,515            |
| Reserve for decommissioning costs of nuclear power units      | 49,007           | 53,320           |
| Other   | 152,017          | 124,270          |
| <b>Current liabilities:</b>                                   | <b>645,685</b>   | <b>694,046</b>   |
| Current portion of long-term debt                             | 199,233          | 183,843          |
| Short-term borrowings   | 54,440           | 54,440           |
| Commercial paper  | 91,000           | 97,000           |
| Trade notes   | 105,425          | 90,661           |
| Accounts payable  | 21,053           | 39,022           |
| Accrued expenses  | 41,852           | 44,224           |
| Accrued taxes   | 15,606           | 11,732           |
| Deposits received   | 1,045            | 981              |
| Short-term debt to subsidiaries and affiliates                | 37,539           | 46,321           |
| Advances received   | 78,249           | 125,810          |
| Reserve for bonuses to directors                              | 71               | -                |
| Other   | 169              | 8                |
| <b>Reserve:</b>   | <b>12,981</b>    | <b>7,812</b>     |
| Reserve for fluctuation in water levels                       | 12,981           | 7,812            |
| <b>Total liabilities</b>                                      | <b>2,830,781</b> | <b>2,910,187</b> |
| <b>Shareholders' equity:</b>                                  | <b>840,317</b>   | <b>770,654</b>   |
| Common stock  | 251,441          | 251,441          |
| Capital surplus   | 26,657           | 26,681           |
| Additional paid-in capital                                    | 26,657           | 26,657           |
| Other capital surplus   | -                | 23               |
| Retained earnings:  | 570,226          | 500,888          |
| Legal reserve   | 62,860           | 62,860           |
| Other retained earnings                                       | 507,365          | 438,028          |
| Reserve for cost fluctuation adjustments                      | 103,000          | 103,000          |
| Reserve for depreciation of Higashi Niigata Thermal           |                  |                  |
| Power Station Unit 4-2 Series                                 | 5,000            | -                |
| Reserve for general purpose                                   | 332,400          | 332,400          |
| Retained earnings carried forward                             | 66,965           | 2,628            |
| Treasury stock, at cost                                       | (8,007)          | (8,357)          |
| <b>Valuation and translation adjustments:</b>                 | <b>4,809</b>     | <b>330</b>       |
| Net unrealized holding gain on securities                     | 4,809            | 330              |
| <b>Total net assets</b>                                       | <b>845,126</b>   | <b>770,984</b>   |
| <b>Total liabilities and net assets</b>                       | <b>3,675,908</b> | <b>3,681,171</b> |

**NON-CONSOLIDATED STATEMENTS OF INCOME (Unaudited)**

FY 2007 (Year ended March 31, 2008) and FY 2008 (Year ended March 31, 2009)

(Millions of yen)

| Item   | Year ended March 31, |           |
|--|----------------------|-----------|
|  | 2008                 | 2009      |
| Operating revenues:  | 1,595,922            | 1,665,037 |
| Electric power operating revenues:                                       | 1,586,331            | 1,652,189 |
| Revenue from residential customers                                       | 530,455              | 548,122   |
| Revenue from commercial and industrial customers                         | 814,263              | 866,503   |
| Revenue from power sold to other utilities                               | 223,449              | 221,513   |
| Revenue from power sold to other companies                               | 1,283                | 1,182     |
| Revenue from wheeling  | 1,323                | 1,142     |
| Revenue from wheeling adjustment among utilities                         | 2,918                | 2,713     |
| Miscellaneous revenues from electric utility business                    | 12,550               | 10,926    |
| Revenue from property leased to others                                   | 86                   | 86        |
| Incidental business revenues:  | 9,590                | 12,848    |
| Gas supply business revenue  | 8,967                | 12,248    |
| Heat supply business revenue   | 623                  | 599       |
| Operating expenses:  | 1,542,268            | 1,689,233 |
| Operating expenses for electric utility business:                        | 1,531,903            | 1,676,676 |
| Expense for hydro power generation                                       | 34,804               | 35,684    |
| Expense for thermal power generation                                     | 499,738              | 562,882   |
| Expense for nuclear power generation                                     | 163,438              | 156,396   |
| Expense for internal combustion power generation                         | 7,727                | 8,851     |
| Expense for power purchased from other utilities                         | 110,779              | 128,135   |
| Expense for power purchased from other companies                         | 188,048              | 221,922   |
| Transmission expense   | 84,615               | 84,343    |
| Transformation expense   | 53,687               | 54,188    |
| Distribution expense   | 184,306              | 190,743   |
| Selling expense  | 54,598               | 53,097    |
| Expense for property leased to others                                    | 6                    | 5         |
| General administration expense   | 101,616              | 132,705   |
| Electric power development promotion tax                                 | 31,623               | 30,513    |
| Enterprise tax   | 17,148               | 17,353    |
| Transferred cost of electricity for construction and incidental business | (235)                | (145)     |
| Incidental business expenses:  | 10,365               | 12,557    |
| Gas supply business expense  | 9,792                | 12,005    |
| Heat supply business expense   | 573                  | 552       |
| Operating income (loss)  | 53,653               | (24,196)  |

(Millions of yen)

| Item   | Year ended March 31, |           |
|--|----------------------|-----------|
|  | 2008                 | 2009      |
| Other income:  | 7,030                | 7,995     |
| Financing income:  | 3,180                | 4,562     |
| Dividends income   | 1,323                | 1,402     |
| Interest income  | 1,856                | 3,159     |
| Other income:  | 3,850                | 3,433     |
| Gain from sales of fixed assets  | 415                  | 83        |
| Miscellaneous income   | 3,434                | 3,349     |
| Other expenses:  | 46,492               | 46,408    |
| Financing expenses:  | 44,983               | 43,793    |
| Interest expense   | 44,696               | 43,384    |
| Bond issuance costs  | 286                  | 408       |
| Other expenses:  | 1,509                | 2,615     |
| Loss on sales of fixed assets  | 303                  | 371       |
| Miscellaneous losses   | 1,205                | 2,244     |
| Total amount of revenues   | 1,602,953            | 1,673,033 |
| Total amount of expenses   | 1,588,761            | 1,735,642 |
| Ordinary income (loss)   | 14,191               | (62,609)  |
| Special item:  | (6,194)              | (5,169)   |
| Reversal of reserve for fluctuation in water levels                          | (6,194)              | (5,169)   |
| Extraordinary loss:  | 5,792                | -         |
| Provision for decommissioning costs of nuclear power units for prior periods | 5,792                | -         |
| Income (loss) before income taxes  | 14,593               | (57,439)  |
| Current income taxes   | 3,454                | 1         |
| Income taxes for prior periods   | -                    | 933       |
| Deferred income taxes  | 4,364                | (18,959)  |
| Total amount of income taxes   | 7,818                | (18,023)  |
| Net income (loss)  | 6,774                | (39,416)  |

## NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (Unaudited)

FY 2007 (As of March 31, 2008) and FY 2008 (As of March 31, 2009)

(Millions of yen)

| Item   | March 31, 2008 | March 31, 2009 |
|--|----------------|----------------|
| <b>Shareholders' equity:</b>   |                |                |
| Common stock:  |                |                |
| Balance as of end of the previous period   | 251,441        | 251,441        |
| Changes:   |                |                |
| Net changes  | -              | -              |
| Balance as of end of the this period   | 251,441        | 251,441        |
| Capital surplus:   |                |                |
| Additional paid-in capital:  |                |                |
| Balance as of end of the previous period   | 26,657         | 26,657         |
| Changes:   |                |                |
| Net changes  | -              | -              |
| Balance as of end of the this period   | 26,657         | 26,657         |
| Other capital surplus:   |                |                |
| Balance as of end of the previous period   | -              | -              |
| Changes:   |                |                |
| Disposal of treasury stock   | -              | 23             |
| Net changes  | -              | 23             |
| Balance as of end of the this period   | -              | 23             |
| Total capital surplus:   |                |                |
| Balance as of end of the previous period   | 26,657         | 26,657         |
| Changes:   |                |                |
| Disposal of treasury stock   | -              | 23             |
| Net changes  | -              | 23             |
| Balance as of end of the this period   | 26,657         | 26,681         |
| Retained earnings:   |                |                |
| Legal reserve:   |                |                |
| Balance as of end of the previous period   | 62,860         | 62,860         |
| Changes:   |                |                |
| Net changes  | -              | -              |
| Balance as of end of the this period   | 62,860         | 62,860         |
| Other retained earnings:   |                |                |
| Reserve for cost fluctuation adjustments:  |                |                |
| Balance as of end of the previous period   | 103,000        | 103,000        |
| Changes:   |                |                |
| Net changes  | -              | -              |
| Balance as of end of the this period   | 103,000        | 103,000        |
| Reserve for depreciation of Higashi Niigata Thermal<br>Power Station Unit 4-2 Series:            |                |                |
| Balance as of end of the previous period   | 10,000         | 5,000          |
| Changes:   |                |                |
| Reversal of reserve for depreciation of Higashi Niigata<br>Thermal Power Station Unit 4-2 Series | (5,000)        | (5,000)        |
| Net changes  | (5,000)        | (5,000)        |
| Balance as of end of the this period   | 5,000          | -              |

(Millions of yen)

| Item   | March 31, 2008 | March 31, 2009 |
|--|----------------|----------------|
| Reserve for general purpose:   |                |                |
| Balance as of end of the previous period   | 306,400        | 332,400        |
| Changes:   |                |                |
| Reserve for general purpose  | 26,000         | -              |
| Net changes  | 26,000         | -              |
| Balance as of end of the this period   | 332,400        | 332,400        |
| Retained earnings carried forward:   |                |                |
| Balance as of end of the previous period   | 111,121        | 66,965         |
| Changes:   |                |                |
| Dividend paid  | (29,930)       | (29,920)       |
| Reversal of reserve for depreciation of Higashi Niigata<br>Thermal Power Station Unit 4-2 Series | 5,000          | 5,000          |
| Reserve for general purpose  | (26,000)       | -              |
| Net income (loss)  | 6,774          | (39,416)       |
| Net changes  | (44,155)       | (64,337)       |
| Balance as of end of the this period   | 66,965         | 2,628          |
| Total retained earning:  |                |                |
| Balance as of end of the previous period   | 593,381        | 570,226        |
| Changes:   |                |                |
| Dividend paid  | (29,930)       | (29,920)       |
| Reversal of reserve for depreciation of Higashi Niigata<br>Thermal Power Station Unit 4-2 Series | -              | -              |
| Reserve for general purpose  | -              | -              |
| Net income (loss)  | 6,774          | (39,416)       |
| Net changes  | (23,155)       | (69,337)       |
| Balance as of end of the this period   | 570,226        | 500,888        |
| Treasury stock, at cost:   |                |                |
| Balance as of end of the previous period   | (7,580)        | (8,007)        |
| Changes:   |                |                |
| Purchases of treasury stock  | (426)          | (475)          |
| Disposal of treasury stock   | -              | 125            |
| Net changes  | (426)          | (349)          |
| Balance as of end of the this period   | (8,007)        | (8,357)        |
| Total shareholders' equity:  |                |                |
| Balance as of end of the previous period   | 863,899        | 840,317        |
| Changes:   |                |                |
| Dividend paid  | (29,930)       | (29,920)       |
| Net income (loss)  | 6,774          | (39,416)       |
| Purchases of treasury stock  | (426)          | (475)          |
| Disposal of treasury stock   | -              | 148            |
| Net changes  | (23,582)       | (69,663)       |
| Balance as of end of the this period   | 840,317        | 770,654        |

(Millions of yen)

| Item  | March 31, 2008 | March 31, 2009 |
|---|----------------|----------------|
| <b>Valuation and translation adjustments:</b> |                |                |
| Net unrealized holding gain on securities:    |                |                |
| Balance as of end of the previous period      | 10,640         | 4,809          |
| Changes:                                      |                |                |
| Net changes except for shareholders' equity   | (5,831)        | (4,479)        |
| Net changes                                   | (5,831)        | (4,479)        |
| Balance as of end of the this period          | 4,809          | 330            |
| <b>Total net assets:</b>                      |                |                |
| Balance as of end of the previous period      | 874,540        | 845,126        |
| Changes:                                      |                |                |
| Dividend paid                                 | (29,930)       | (29,920)       |
| Net income (loss)                             | 6,774          | (39,416)       |
| Purchases of treasury stock                   | (426)          | (475)          |
| Disposal of treasury stock                    | -              | 148            |
| Net changes except for shareholders' equity   | (5,831)        | (4,479)        |
| Net changes                                   | (29,413)       | (74,142)       |
| Balance as of end of the this period          | 845,126        | 770,984        |

**(Note)**

This report solely constitutes reference material for the purpose of providing the readers with relevant information to evaluate our company.

The information contains forward-looking statements based on assumptions and projections about the future with regard to our company. As such, the readers are kindly asked to refrain from making judgment by depending solely on this information.

The forward-looking statements inherently involve a degree of risks and uncertainties. Consequently, these risks and uncertainties could cause the actual results and performance to differ from the assumed or projected status of the company.

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