

April 24, 2008

Electricity Supply & Demand Report for Fiscal 2007

1. Electricity supply and demand

Electricity sales for fiscal 2007 totaled 84.072 billion kWh, which was 103.9% compared with the corresponding period of the previous year. Sales by customer segment are outlined below. Electricity sales for fiscal 2007 topped the fiscal 2006 track record of 80.95 billion kWh, posting an increase for the fifth consecutive year.

—Demand other than specified-scale demand (users other than those on deregulated power supply systems)

As a result of an increase in heating demand, due to lower temperature throughout the winter compared with the previous winter with higher temperature, and popularization and expansion of totally electrified houses, lighting demand marked a track record of 103.2% compared with the year-ago same period.

With the demand outside the specified-scale demand summed, a track record of 102.9% compared with the year-ago same period was achieved.

—Specified-scale demand (users on deregulated power supply systems)

Boosted by new installations and expansion in the large-scale retailer segment, commercial use electricity was 104.4% of the previous year. The total in the specified-scale demand segment marked a track record of 104.4% of the previous year. With respect to industrial and other electric power sales, dominated by the large-scale industrial use segment, the demand outline is described in the following reference:

[Reference]

* Large-scale industrial demand

With the “non-ferrous” and “machinery” segments exhibiting high growth amid brisk production of semiconductor-related and automotive components, the large-scale industrial demand was 105.7% compared to the previous fiscal year.

2. Electricity supply (See Table 2)

Total electricity generated and purchased in fiscal 2007 was 92.134 billion kWh, which was 103.6% of the previous fiscal year or 101.6% of the planned value.

Hydro power generation

Due to a decrease in water flow from thawing as a result of reduced snowfall in the winter of the previous fiscal year and also following lower rainfall levels at the hydroelectric power generation sites, a water shortage with a flow rate of 95.1% occurred, with 7.891 billion kWh of energy generated. This was 1.827 billion kWh down on the previous fiscal year.

Thermal power generation

An increase in the energy generated by nuclear power stations and other factors resulted in an electricity output of 50.969 billion kWh, 985 million kWh down on the previous fiscal year.

Nuclear power generation

Since Units 1 and 2 of the Onagawa Nuclear Power Station and Unit 1 of the Higashidori Nuclear Power Station were operated under different controls compared to the previous year, electricity output reached 19.062 billion kWh, which was 4.817 billion kWh higher than the previous fiscal year.

Electricity purchased from other companies

Due to the difference in the number of days during which power stations of other companies were not in operation for reasons of scheduled inspection and others, total electricity purchased from other companies was 24.535 billion kWh, an increase of 1.963 billion kWh over the previous fiscal year.

(Table 1)

Power demand during fiscal 2007

(Units: million kWh; %)

| Segments | | Actual kWh, Current year (A) | Actual kWh, Previous year (B) | Year-to-year percentage (A/B) | Planned kWh, Current year (C) | Actual over planned (A/C) |
|-------------------------------|--------------------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------------|
| Non-specified Scale Demand | Electric lighting | 25,073 | 24,291 | 103.2 | 24,701 | 101.5 |
| | Electric power | 4,346 | 4,302 | 101.0 | 4,289 | 101.3 |
| | Subtotal | 29,419 | 28,593 | 102.9 | 28,990 | 101.5 |
| Specified Scale Demand | Commercial use | 16,928 | 16,214 | 104.4 | - | - |
| | Industrial and others | 37,725 | 36,143 | 104.4 | - | - |
| | Subtotal | 54,653 | 52,357 | 104.4 | 53,481 | 102.2 |
| Total power sold | | 84,072 | 80,950 | 103.9 | 82,471 | 101.9 |

(Reference)

Sold to large-scale industrial customers

(Units: million kWh; %)

| | Actual kWh, Current year (A) | Actual kWh, Previous year (B) | Year-to-year percentage (A/B) |
|-------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Large-scale industrial customers | 28,809 | 27,256 | 105.7 |

Year-to-year percentage by sectors (%), Large-scale industrial customers

| | | | | | |
|--------------------------|-------|----------------|-------|--------------------|-------|
| Foodstuffs | 113.1 | Pulp and paper | 104.9 | Chemicals | 107.0 |
| Ceramics, stone and clay | 102.6 | Iron and steel | 99.1 | Non-ferrous metals | 117.1 |
| Machinery | 106.1 | | | | |

(Table 2)

Overview of power supply during fiscal 2007

(Units: million kWh; %)

| Segments | | | Actual kWh, Current year (A) | Actual kWh, Previous year (B) | Difference (A-B) | Year-to-year percentage (A/B) |
|-----------------------------|---------------|--------------------------|------------------------------------|-------------------------------------|---------------------|-------------------------------------|
| Power by our own plants | Hydroelectric | Natural inflow | 7,329 | 9,164 | - 1,835 | 80.0 |
| | | Reservoir/pumped-storage | 562 | 554 | 8 | 101.6 |
| | | Subtotal | 7,891 | 9,718 | - 1,827 | 81.2 |
| | Thermal | | 50,969 | 51,954 | - 985 | 98.1 |
| | Nuclear | | 19,062 | 14,245 | 4,817 | 133.8 |
| | Subtotal | | 77,922 | 75,917 | 2,005 | 102.6 |
| Power purchased from others | | | 24,535 | 22,572 | 1,963 | 108.7 |
| Interchange power | | | - 10,170 | - 9,440 | - 730 | 107.7 |
| Pumping-up power | | | - 153 | - 97 | - 56 | 158.1 |
| Total | | | 92,134 | 88,952 (90,699) | 3,182 | 103.6 (101.6) |
| Water flow rate | | | 95.1 | 112.5 | - 17.4 | - |

(): Planned kWh, current year