
*The Kansai Electric Power Company,
Incorporated and Consolidated Subsidiaries*

*Consolidated Financial Statements for the
Years Ended March 31, 2002 and 2001
and for the Six Months Ended
September 30, 2002 and 2001*

**The Kansai Electric Power Company, Incorporated
and Consolidated Subsidiaries**

Consolidated Balance Sheets

	Millions of Yen		September 30, 2002 (Unaudited)	Thousands of U.S. Dollars (Note 1) September 30, 2002 (Unaudited)	Millions of Yen					
	March 31				September 30, 2002 (Unaudited)	(Note 1)		September 30, 2002 (Unaudited)		
	2002	2001				2002	2001			
ASSETS (Note 5)					LIABILITIES AND SHAREHOLDERS' EQUITY					
PROPERTY:										
Utility plant and equipment	¥ 13,015,757	¥ 12,988,206	¥ 13,047,880	\$ 106,426,427	LONG-TERM DEBT, LESS CURRENT MATURITIES (Note 5)	¥ 3,813,429	¥ 3,849,320	¥ 3,711,831	\$ 30,275,946	
Other plant and equipment	606,532	370,441	605,781	4,941,117	LIABILITY FOR RETIREMENT BENEFITS (Note 6)	276,663	279,958	289,457	2,360,987	
Construction in progress	773,318	858,696	819,154	6,681,517	RESERVE FOR REPROCESSING OF IRRADIATED NUCLEAR FUEL	483,413	412,200	488,865	3,987,480	
Contributions in aid of construction	(393,008)	(367,251)	(382,124)	(3,116,835)	RESERVE FOR DECOMMISSIONING OF NUCLEAR POWER UNITS	213,043	203,831	219,912	1,793,736	
Accumulated depreciation	(8,007,390)	(7,760,416)	(8,173,216)	(66,665,709)	DEFERRED TAX LIABILITIES	325		375	3,059	
Plant and equipment - net (Notes 3 and 5)	5,995,209	6,089,676	5,917,475	48,266,517	CURRENT LIABILITIES:					
Nuclear fuel, net of amortization	500,168	495,396	508,712	4,149,364	Current maturities of long-term debt (Note 5)	324,821	407,807	350,694	2,860,473	
Property - net	6,495,377	6,585,072	6,426,187	52,415,881	Short-term borrowings (Note 7)	353,503	403,441	305,972	2,495,693	
INVESTMENTS AND OTHER ASSETS:					Accounts payable (Note 5)	162,835	154,304	97,054	791,631	
Investment securities (Note 4)	174,927	260,064	187,974	1,533,230	Payable to unconsolidated subsidiaries and associated companies	15,628	41,753	9,311	75,946	
Investments in and advances to unconsolidated subsidiaries and associated companies	176,999	188,928	166,739	1,360,024	Accrued income taxes	66,049	12,693	99,515	811,705	
Deferred tax assets	208,291	135,594	216,125	1,762,847	Deferred tax liabilities	72				
Other assets	39,979	37,917	41,369	337,431	Accrued expenses and other current liabilities	209,357	206,648	237,502	1,937,210	
Total investments and other assets	600,196	622,503	612,207	4,993,532	Total current liabilities	1,132,265	1,226,646	1,100,048	8,972,658	
CURRENT ASSETS:					RESERVE FOR FLUCTUATIONS IN WATER LEVEL		6,608			
Cash and cash equivalents	129,083	87,767	109,606	894,013	MINORITY INTERESTS	7,681	2,668	5,442	44,388	
Accounts receivable	158,003	172,032	172,521	1,407,186	COMMITMENTS AND CONTINGENCIES (Notes 10 and 11)					
Allowance for doubtful accounts	(4,316)	(2,317)	(4,501)	(36,713)	SHAREHOLDERS' EQUITY (Notes 5, 8 and 12):					
Inventories	57,934	56,944	58,993	481,183	Common stock, - authorized, 1,784,059,697 shares in 2002 and 1,800,000,000 shares in 2001	489,320	489,320	489,320	3,991,191	
Deferred tax assets	24,811	14,158	46,259	377,316	Capital surplus	65,463	65,463	65,463	533,956	
Other current assets (Note 4)	46,468	14,662	57,104	465,775	Retained earnings	971,427	906,339	1,050,522	8,568,695	
Total current assets	411,983	343,246	439,982	3,588,760	Net unrealized gain on available-for-sale securities	54,299	108,485	57,952	472,692	
					Foreign currency translation adjustments	281		128	1,044	
					Treasury stock	(22)	(17)	(939)	(7,659)	
					Common stock held by consolidated subsidiaries	(31)				
					Total shareholders' equity	1,580,737	1,569,590	1,662,446	13,559,919	
					TOTAL	¥ 7,507,556	¥ 7,550,821	¥ 7,478,376	\$ 60,998,173	
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Thousands of
U.S. Dollars

**The Kansai Electric Power Company, Incorporated
and Consolidated Subsidiaries**

Consolidated Statements of Income

	Millions of Yen				Thousands of U.S. Dollars (Note 1)
	Year Ended March 31		Six Months Ended September 30		Six Months Ended September 30
	2002	2001	2002	2001	2002
			(Unaudited)		(Unaudited)
OPERATING REVENUES:					
Electric	¥ 2,509,564	¥ 2,575,178	¥ 1,283,212	¥ 1,300,818	\$ 10,466,656
Other	142,033	72,766	60,746	62,233	495,481
Total	<u>2,651,597</u>	<u>2,647,944</u>	<u>1,343,958</u>	<u>1,363,051</u>	<u>10,962,137</u>
OPERATING EXPENSES:					
Electric	2,192,133	2,237,375	1,043,398	1,066,588	8,510,587
Other	140,152	69,887	62,757	62,628	511,884
Total	<u>2,332,285</u>	<u>2,307,262</u>	<u>1,106,155</u>	<u>1,129,216</u>	<u>9,022,471</u>
OPERATING INCOME	<u>319,312</u>	<u>340,682</u>	<u>237,803</u>	<u>233,835</u>	<u>1,939,666</u>
OTHER (INCOME) EXPENSES:					
Interest expense	127,462	148,909	55,454	64,865	452,316
Equity in losses (earnings) of associated companies	(779)	9,884	6,314	(289)	51,501
Gain on sales of securities	(44,883)			(43,961)	
Other - net	33,988	12,541	4,230	9,919	34,502
Total	<u>115,788</u>	<u>171,334</u>	<u>65,998</u>	<u>30,534</u>	<u>538,319</u>
INCOME BEFORE REVERSAL OF RESERVE FOR FLUCTUATIONS IN WATER LEVEL, INCOME TAXES AND MINORITY INTERESTS	203,524	169,348	171,805	203,301	1,401,346
REVERSAL OF RESERVE FOR FLUCTUATIONS IN WATER LEVEL	<u>6,608</u>	<u>2,499</u>		<u>6,608</u>	
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	210,132	171,847	171,805	209,909	1,401,346
INCOME TAXES:					
Current	91,758	50,672	99,106	83,040	808,369
Deferred	(10,968)	(1,481)	(31,428)	(4,185)	(256,346)
Total	<u>80,790</u>	<u>49,191</u>	<u>67,678</u>	<u>78,855</u>	<u>552,023</u>
MINORITY INTERESTS IN NET INCOME (LOSS)	<u>898</u>	<u>(135)</u>	<u>397</u>	<u>(167)</u>	<u>3,238</u>
NET INCOME	<u>¥ 128,444</u>	<u>¥ 122,791</u>	<u>¥ 103,730</u>	<u>¥ 131,221</u>	<u>\$ 846,085</u>
	Yen				U.S. Dollars (Note 1)
	Year Ended March 31		Six Months Ended September 30		Six Months Ended September 30
	2002	2001	2002	2001	2002
			(Unaudited)		(Unaudited)
PER SHARE OF COMMON STOCK:					
Net income	¥131.61	¥125.47	¥107.80	¥134.09	\$ 0.87
Fully diluted net income	126.91	121.02	104.60	127.86	0.85
Cash dividends applicable to the period	50.00	60.00	25.00	25.00	0.20

See notes to consolidated financial statements.

**The Kansai Electric Power Company, Incorporated
and Consolidated Subsidiaries**

Consolidated Statements of Shareholders' Equity

	Millions of Yen							
	Number of Common Shares Issued	Common Stock	Capital Surplus	Retained Earnings	Net Unrealized Gain on Available- for-Sale Securities	Foreign Currency Translation Adjustments	Treasury Stock	Common Stock Held by Consolidated Subsidiaries
BALANCE, APRIL 1, 2000	978,639,031	¥ 489,320	¥ 65,463	¥ 844,764			¥ (16)	
Adjustment of retained earnings for a newly consolidated subsidiary				2,526				
Adjustment of retained earnings for merger of an unconsolidated subsidiary				1,830				
Adjustment of retained earnings for decrease of associated companies adopted by the equity method				(16,237)				
Net income				122,791				
Cash dividends, ¥50 per share				(48,931)				
Bonuses to directors and corporate auditors				(404)				
Net increase in treasury stock							(1)	
Net unrealized gain on available-for-sale securities (including the effect of initially adopting the new accounting standard at April 1, 2000)					¥ 108,485			
BALANCE, MARCH 31, 2001	978,639,031	489,320	65,463	906,339	108,485		(17)	
Adjustment of retained earnings for newly consolidated subsidiaries				26,095				
Net income				128,444				
Cash dividends, ¥60 per share				(58,718)				
Bonuses to directors and corporate auditors				(542)				
Foreign currency translation adjustments						¥ 281		
Retirement of treasury stock	(15,940,303)			(30,191)			30,191	
Net increase in treasury stock (excluding retirement of treasury stock)							(30,196)	
Net increase in common stock held by consolidated subsidiaries								¥ (31)
Net decrease in unrealized gain on available-for-sale securities					(54,186)			
BALANCE, MARCH 31, 2002	962,698,728	489,320	65,463	971,427	54,299	281	(22)	(31)
Net income (Unaudited)				103,730				
Cash dividends, ¥25 per share (Unaudited)				(24,067)				
Bonuses to directors and corporate auditors (Unaudited)				(568)				
Foreign currency translation adjustments (Unaudited)						(153)		
Net increase in treasury stock (Unaudited)							(886)	
Reclassification for adopting new accounting standards for treasury stock (Unaudited)							(31)	31
Net increase in net unrealized gain on available-for-sale securities (Unaudited)					3,653			
BALANCE, SEPTEMBER 30, 2002 (UNAUDITED)	<u>962,698,728</u>	<u>¥ 489,320</u>	<u>¥ 65,463</u>	<u>¥ 1,050,522</u>	<u>¥ 57,952</u>	<u>¥ 128</u>	<u>¥ (939)</u>	<u>¥</u>

**The Kansai Electric Power Company, Incorporated
and Consolidated Subsidiaries**

Consolidated Statements of Shareholders' Equity

	Thousands of U.S. Dollars (Note 1)						
	Common Stock	Capital Surplus	Retained Earnings	Net Unrealized Gain on Available- for-Sale Securities	Foreign Currency Translation Adjustments	Treasury Stock	Common Stock Held by Consolidated Subsidiaries
BALANCE, MARCH 31, 2002	\$3,991,191	\$ 533,956	\$ 7,923,548	\$ 442,896	\$ 2,292	\$ (179)	\$ (253)
Net income (Unaudited)			846,085				
Cash dividends, \$0.20 per share (Unaudited)			(196,305)				
Bonuses to directors and corporate auditors (Unaudited)			(4,633)				
Foreign currency translation adjustments (Unaudited)					(1,248)		
Net increase in treasury stock (Unaudited)						(7,227)	
Reclassification for adopting new accounting standards for treasury stock (Unaudited)						(253)	253
Net increase in net unrealized gain on available-for-sale securities (Unaudited)				29,796			
BALANCE, SEPTEMBER 30, 2002 (UNAUDITED)	<u>\$3,991,191</u>	<u>\$ 533,956</u>	<u>\$ 8,568,695</u>	<u>\$ 472,692</u>	<u>\$ 1,044</u>	<u>\$ (7,659)</u>	<u>\$</u>

See notes to consolidated financial statements.

**The Kansai Electric Power Company, Incorporated
and Consolidated Subsidiaries**

Consolidated Statements of Cash Flows

	Millions of Yen				Thousands of U.S. Dollars (Note 1)
	Year Ended March 31		Six Months Ended September 30		Six Months Ended September 30
	2002	2001	2002	2001	2002
			(Unaudited)	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES:					
Income before income taxes and minority interests	¥ 210,132	¥ 171,847	¥ 171,805	¥ 209,909	\$ 1,401,346
Adjustments for:					
Income taxes-paid	(39,979)	(77,985)	(65,659)	(15,330)	(535,555)
Depreciation and amortization	421,573	425,217	197,468	212,250	1,610,669
Amortization of nuclear fuel	53,055	54,425	30,605	27,692	249,633
Loss on disposal of property, plant and equipment	51,203	11,988	5,972	16,180	48,711
Nuclear fuel transferred to reprocessing costs	14,372	20,808	17,132	2,406	139,739
Increase (decrease) in liability for retirement benefits	(14,310)	(27,787)	12,711	(7,785)	103,679
Provision for reprocessing of irradiated nuclear fuel	71,213	40,043	5,451	13,098	44,462
Provision for decommissioning of nuclear power units	9,212	23,836	6,868	6,238	56,020
Reversal of reserve for fluctuations in water level	(6,608)	(2,499)		(6,608)	
Gain on sales of securities	(44,883)				
Changes in assets and liabilities, net of effects from newly consolidated subsidiaries and merger:					
Decrease (increase) in trade receivables	20,546	(6,364)	(14,278)	1,539	(116,460)
Decrease in interest and dividends receivable	420	457	505	548	4,119
Increase (decrease) in trade payables	(7,453)	3,407	(26,074)	(16,395)	(212,675)
Decrease in interest payable	(2,587)	(1,958)	(5,305)	(6,075)	(43,271)
Other - net	20,721	56,969	17,048	(71,731)	139,053
Total adjustments	546,495	520,557	182,444	156,027	1,488,124
Net cash provided by operating activities	756,627	692,404	354,249	365,936	2,889,470
INVESTING ACTIVITIES:					
Purchases of property, plant and equipment	(481,924)	(508,015)	(228,454)	(246,904)	(1,863,409)
Payments for investments and advances	(29,430)	(18,978)	(14,282)	(14,764)	(116,493)
Proceeds from sales or collections of investments and advances	58,104	11,847	3,436	49,585	28,026
Payment for purchase of investments in subsidiaries net of cash acquired			(464)		(3,785)
Other - net	6,623	16,937	8,753	2,935	71,395
Net cash used in investing activities	(446,627)	(498,209)	(231,011)	(209,148)	(1,884,266)
FINANCING ACTIVITIES:					
Proceeds from issuance of bonds	149,363	149,356	59,416	69,700	484,633
Proceeds from long-term debt (exclusive of bonds)	217,061	284,897	68,565	135,258	559,258
Proceeds from short-term borrowings	752,336	861,414	224,232	386,402	1,828,972
Proceeds from issuance of commercial papers	216,000	327,000	603,000	115,000	4,918,434
Redemption of bonds	(276,039)	(229,483)	(115,582)	(144,650)	(942,757)
Repayments of long-term debt (exclusive of bonds)	(240,064)	(323,407)	(83,985)	(110,384)	(685,033)
Repayments of short-term borrowings	(869,750)	(888,516)	(304,973)	(451,632)	(2,487,545)
Repayments of commercial papers	(166,000)	(327,000)	(569,000)	(115,000)	(4,641,109)
Purchases of treasury stock	(30,477)				
Dividends paid	(58,690)	(48,944)	(24,060)	(34,224)	(196,248)
Other - net	766	(25)	(263)	(37)	(2,145)
Net cash used in financing activities	(305,494)	(194,708)	(142,650)	(149,567)	(1,163,540)
NET CASH PROVIDED BY (USED IN) OPERATING, INVESTING AND FINANCING ACTIVITIES - (Forward)	¥ 4,506	¥ (513)	¥ (19,412)	¥ 7,221	\$ (158,336)

(Continued)

**The Kansai Electric Power Company, Incorporated
and Consolidated Subsidiaries**

Consolidated Statements of Cash Flows

	Millions of Yen				Thousands of U.S. Dollars (Note 1)
	Year Ended March 31		Six Months Ended September 30		Six Months Ended September 30
	<u>2002</u>	<u>2001</u>	<u>2002</u> (Unaudited)	<u>2001</u> (Unaudited)	<u>2002</u> (Unaudited)
NET CASH PROVIDED BY (USED IN) OPERATING, INVESTING AND FINANCING ACTIVITIES - (Forward)	¥ 4,506	¥ (513)	¥ (19,412)	¥ 7,221	\$ (158,336)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	7	2	(65)	(2)	(530)
CASH AND CASH EQUIVALENTS OF NEWLY CONSOLIDATED SUBSIDIARIES, BEGINNING OF PERIOD	36,803	120		36,803	
CASH AND CASH EQUIVALENTS INCREASED BY MERGER		<u>4,944</u>			
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	41,316	4,553	(19,477)	44,022	(158,866)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>87,767</u>	<u>83,214</u>	<u>129,083</u>	<u>87,767</u>	<u>1,052,879</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>¥ 129,083</u>	<u>¥ 87,767</u>	<u>¥ 109,606</u>	<u>¥ 131,789</u>	<u>\$ 894,013</u>

See notes to consolidated financial statements.

The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (In so far as applicable to the six months ended September 30, 2002 and 2001, or to dates subsequent to June 27, 2002, these notes are unaudited)

1. BASIS OF PRESENTING FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Securities and Exchange Law (the "Law"), the Japanese Electric Utility Law and the related accounting regulations. The Kansai Electric Power Company, Incorporated (the "Company" or the "Parent") and its consolidated subsidiaries (together the "Companies") maintain their accounts and records in accordance with the provisions set forth in the Japanese Commercial Code (the "Code"), the Japanese Electric Utility Law and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Accounting Standards. The consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥122.60 to \$1, the approximate rate of exchange at September 30, 2002. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Certain reclassifications have been made in the consolidated financial statements for the year ended March 31, 2002 and 2001 and for the six months ended September 30, 2001 to conform to the classifications used in the consolidated financial statements for the six months ended September 30, 2002.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Principles of Consolidation and Accounting for Investments in Unconsolidated Subsidiaries and Associated Companies - The consolidated financial statements as of September 30, 2002 include the accounts of the Company and seventy-three all subsidiaries (seventy for the year ended March 31, 2002, nine for the year ended March 31, 2001, and sixty-nine for the six months ended September 30, 2001). Fifty-seven subsidiaries were excluded from the consolidation for the year ended March 31, 2001. Consolidation of these previously unconsolidated subsidiaries, in the aggregate, would have had an immaterial effect on the consolidated financial statements.

The Company has a control or influence concept in determining proper accounting for investments in companies. Under the control or influence concept, those companies in which the Parent, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Parent has the ability to exercise significant influence are accounted for by the equity method.

Investments in one associated company are accounted for by the equity method for the years ended March 31, 2002 and 2001, and for the six months ended September 30, 2002 and 2001. Investments in the remaining associated companies (and unconsolidated subsidiaries for the year ended March 31, 2001) are stated at cost, and had the equity method been applied to the investments in these companies, there would have been an immaterial effect on the accompanying consolidated financial statements.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Companies is eliminated.

b. Consolidated Subsidiaries' Fiscal Period End - The fiscal year-end of five consolidated subsidiaries (four for the year ended March 31, 2002 and three for the six months ended September 30, 2001) is December 31. The Company consolidates such subsidiaries' financial statements using their financial results for the year ended December 31 and for the semi-annual period ended June 30. The effect of any significant transactions during the period between the subsidiaries' fiscal period-end and the Company's fiscal period-end are reflected in the consolidated financial statements.

c. Property, Depreciation and Amortization - Property is stated at cost. Contributions in aid of construction, which include certain amounts assessed to and collected from customers, are deducted from the costs of the related assets in accordance with the regulations.

Depreciation is principally computed by the declining-balance method based on the estimated useful lives of the assets.

Amortization of nuclear fuel is computed based on the quantity of heat produced for the generation of electricity. Accumulated amortization of nuclear fuel at March 31, 2002 and 2001 and September 30, 2002 was ¥119,224 million, ¥128,261 million and ¥128,961 million (\$1,051,884 thousand), respectively.

d. Leases - All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that are deemed to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements.

e. Investment Securities - The Companies' securities are classified and accounted for as follows: i) held-to-maturity debt securities, which management has the positive intent and ability to hold to maturity, are reported at amortized cost, ii) available-for-sale securities whose fair value is not readily determinable are reported at cost, and iii) available-for-sale securities whose fair value is readily determinable are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported as a separate component of shareholders' equity.

The cost of securities sold is determined by the moving-average method.

f. Cash Equivalents - Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents principally include time deposits, certificate of deposits, commercial paper and mutual funds investing in bonds that represent short-term investments, all of which mature or become due within three months of the date of acquisition.

g. Inventories - Inventories, mainly fuel, are stated at cost determined by the average method.

h. Foreign Currency Transactions - All receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates as of the balance sheet date. The foreign exchange gains and losses from translation are recognized in the income statement to the extent that they are not hedged by the forward contracts.

- i. Foreign Currency Financial Statements* - The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for shareholders' equity, which is translated at the historical rate. Revenue and expense accounts of consolidated foreign subsidiaries are translated into yen at the current exchange rate as of the balance sheet date. Differences arising from such translation are shown as "Foreign currency translation adjustments" as a separate component of shareholders' equity.
- j. Retirement and Pension Plan* - The Company and certain consolidated subsidiaries have non-contributory defined benefit pension plans, contributory pension plans, and unfunded retirement benefit plans.

Effective April 1, 2000, the Company adopted a new accounting standard for employees' retirement benefits and accounted for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

Prior service cost is being amortized by the straight-line method over a period of principally 3 years. Actuarial gains or losses are being recognized by the straight-line method over a period of principally 3 years.

The full amount of the transitional obligation of ¥12,406 million, determined as of April 1, 2000, was charged to income and presented as operating expense in the statement of income for the year ended March 31, 2001.

Retirement benefits to directors and corporate auditors are charged to income when authorized by a resolution of the shareholders.

- k. Reserve for Reprocessing of Irradiated Nuclear Fuel* - The Company has accrued costs for the reprocessing of irradiated nuclear fuel, in accordance with accounting methods accepted by the regulatory authority. The Company provides for the reprocessing of irradiated nuclear fuel at 60% of the amount, which would be required to reprocess all the irradiated nuclear fuel as of the balance sheet date.
- l. Reserve for Decommissioning of Nuclear Power Units* - The Company has accrued costs for decommissioning of nuclear power units, in accordance with accounting methods accepted by the regulatory authority.
- m. Income Taxes* - The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.
- n. Derivatives and Hedging Activities* - The Companies use principally foreign exchange forward contracts, currency swaps and interest rate swaps in the normal course of business, to manage its exposure to fluctuations in foreign exchange and interest rates. The Companies do not enter into derivatives for trading or speculative purposes.

For derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on those derivatives are deferred until maturity of the hedged transactions.

Assets and liabilities denominated in foreign currencies for which foreign exchange forward contracts and currency swaps are used to hedge the foreign currency fluctuations are translated at the contracted rate if the forward contracts and currency swaps qualify for hedge accounting.

The interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not remeasured at fair value but the differential paid or received under the swap agreements are recognized and included in interest expense or income.

- o. Reserve for Fluctuations in Water Level* - A reserve for fluctuations in water level was provided for costs expected to be incurred from insufficient water levels, in accordance with the Japanese Electric Utility Law and related accounting regulations.
- p. Appropriations of Retained Earnings* - Appropriations of retained earnings at each year end are reflected in the financial statements of the following year after shareholders' approval.
- q. Per Share Information* - Prior to April 1, 2002, the computation of earnings per share is based on the weighted average number of shares of common stock outstanding during each period. The computation of net income per share assuming full dilution is based on the further assumption that all convertible bonds were converted at the beginning of period with applicable adjustments of interest expense, net of the related tax effect.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective periods including dividends to be paid after the end of period, without giving retroactive adjustment for subsequent stock splits.

Effective April 1, 2002, the Companies adopted new accounting standard for earnings per share and implementation guidance for accounting standard for earnings per share. The adoption of the new accounting standard did not have a material effect on the computation of earnings per share.

The average number of common shares used in the computation was 975,972,901 shares for the year ended March 31, 2002 and 978,629,664 shares for the year ended March 31, 2001, and 962,268,225 shares for the six months ended September 30, 2002 and 978,639,031 shares for the six months ended September 30, 2001.

Earnings per share in previous financial statements based on the new accounting standards are as follows:

	Year Ended March 31		Six Months Ended September 30
	<u>2002</u>	<u>2001</u>	<u>2001</u>
Per share of common stock:			
Net income	131.06	125.51	134.13
Fully diluted net income	126.39	120.69	127.90

- r. Stock and Bond Issue Costs* - Costs incurred in connection with the issuance of stock and bonds are charged to income as incurred.

3. PLANT AND EQUIPMENT

Plant and equipment, at carrying value, at March 31, 2002 and 2001 and September 30, 2002, consisted of the following:

	Millions of Yen			Thousands of
	March 31		September 30,	U.S. Dollars
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>September 30,</u> <u>2002</u>
Hydroelectric power production facilities	¥ 508,664	¥ 536,018	¥ 495,446	\$ 4,041,158
Thermal power production facilities	488,429	571,221	467,669	3,814,592
Nuclear power production facilities	520,252	552,389	492,199	4,014,674
Transmission facilities	1,566,946	1,499,815	1,530,959	12,487,431
Transformation facilities	609,462	630,157	594,629	4,850,155
Distribution facilities	1,054,258	1,066,288	1,046,600	8,536,705
General facilities	180,562	187,121	171,152	1,396,020
Other utility facilities	14,310	5,479	14,081	114,853
Other plant and equipment	279,008	182,492	285,586	2,329,412
Construction in progress	773,318	858,696	819,154	6,681,517
Total	<u>¥ 5,995,209</u>	<u>¥ 6,089,676</u>	<u>¥ 5,917,475</u>	<u>\$ 48,266,517</u>

4. INVESTMENT SECURITIES

Information regarding each category of the securities classified as available-for-sale, whose fair value is readily determinable, and held-to-maturity at March 31, 2002 and 2001 and September 30, 2002 were as follows:

	Millions of Yen		
	March 31, 2002		
	Cost	Unrealized Gains (Losses)	Fair Value
Securities classified as:			
Available-for-sale			
Equity securities	¥ 25,116	¥ 80,716	¥ 105,832
Debt securities	1,382	(11)	1,371
Other	2,552	16	2,568
Held-to-maturity debt securities	8,012	391	8,403

	Millions of Yen		
	March 31, 2001		
	Cost	Unrealized Gains (Losses)	Fair Value
Securities classified as:			
Available-for-sale			
Equity securities	¥ 26,049	¥ 163,333	¥ 189,382
Debt securities	69	3	72
Other	2,866	17	2,883
Held-to-maturity debt securities	6,920	370	7,290

	Millions of Yen		
	September 30, 2002		
	Cost	Unrealized Gains (Losses)	Fair Value
Securities classified as:			
Available-for-sale			
Equity securities	¥25,833	¥ 86,625	¥ 112,458
Debt securities	1,652	18	1,670
Other	1,562	22	1,584
Held-to-maturity debt securities	10,664	476	11,140

	Thousands of U.S. Dollars		
	September 30, 2002		
	Cost	Unrealized Gains (Losses)	Fair Value
Securities classified as:			
Available-for-sale			
Equity securities	\$ 210,710	\$ 706,566	\$ 917,276
Debt securities	13,475	147	13,622
Other	12,741	179	12,920
Held-to-maturity debt securities	86,982	3,883	90,865

Available-for-sale securities and held-to-maturity securities whose fair value is not readily determinable as of March 31, 2002 and 2001 and September 30, 2002 were as follows:

	Carrying Amount			Thousands of U.S. Dollars September 30, 2002
	Millions of Yen		September 30,	
	March 31 <u>2002</u>	2001	2002	
Available-for-sale:				
Equity securities	¥ 55,658	¥ 60,995	¥ 60,337	\$ 492,145
Other	8,624	9,212	6,034	49,217
Held-to-maturity debt securities	<u>350</u>	<u> </u>	<u>1,449</u>	<u>12,227</u>
Total	<u>¥ 64,632</u>	<u>¥ 70,207</u>	<u>¥ 67,820</u>	<u>\$553,589</u>

5. LONG-TERM DEBT

Long-term debt at March 31, 2002 and 2001 and September 30, 2002, consisted of the following:

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	March 31		September 30,	September 30,
	<u>2002</u>	<u>2001</u>	2002	2002
General mortgage bonds:				
0.43% to 6.9%, due on various dates through 2018	¥ 1,606,278	¥ 1,640,088	¥ 1,550,576	\$ 12,647,439
7.25%, due 2006 (payable in U.S. dollars)	54,450	54,450	54,450	444,127
6.625% and 7.0%, due through 2006 (payable in French francs)	110,266	110,266	110,266	899,396
5.75%, due 2007 (payable in Netherlands guilder)	62,294	62,294	62,294	508,108
General mortgage convertible bonds:				
2.0%, due 2002		92,229		
1.4%, due 2005	178,637	178,637	178,637	1,457,072
1.2% to 6.2% secured loans from principally the Development Bank of Japan maturing on various dates through 2023:				
The Company	509,312	557,589	488,054	3,980,865
Subsidiaries	23,747	9,322	24,112	196,672
0.289% to 6.4% unsecured loans from banks and insurance companies maturing on various dates through 2036	1,568,610	1,508,997	1,575,140	
Other	24,656	43,255	18,996	
Total	<u>4,138,250</u>	<u>4,257,127</u>	<u>4,062,525</u>	<u>33,136,419</u>
Less current maturities	<u>(324,821)</u>	<u>(407,807)</u>	<u>(350,694)</u>	<u>(2,860,473)</u>
Long-term debt, less current maturities	<u>¥ 3,813,429</u>	<u>¥ 3,849,320</u>	<u>¥ 3,711,831</u>	<u>\$ 30,275,946</u>

All of the Company's assets are pledged as collateral for the general mortgage bonds, general mortgage convertible bonds and secured loans from the Development Bank of Japan.

The carrying amounts of subsidiaries' assets pledged as collateral for accounts payable of ¥849 million (\$6,925 thousand) and the above secured loans at September 30, 2002, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Property and other	¥42,622	\$347,651

Certain long-term loan agreements include provisions which allow lenders the right of prior approval, if so requested, of any appropriation from retained earnings, including dividends. To date no lender has exercised this right.

The convertible bonds may be redeemed, at the option of the Company, in whole or in part at prices declining by 1% per year from 107% to 100% of the principal amounts. The 1.4% bonds are currently redeemable. The convertible bonds outstanding at September 30, 2002 were convertible into 37,162 thousand shares of common stock, at the conversion prices shown below subject to certain anti-dilutive provisions:

	Conversion Price per Share	
	Yen	U.S. Dollars
1.4% bonds	¥4,807	\$39.21

6. RETIREMENT AND PENSION PLAN

The Company and certain of its consolidated subsidiaries have severance payment plans for employees. Under most circumstances employees terminating their employment with the Companies, either voluntarily or upon reaching mandatory retirement age, are entitled to severance benefits based on the rate of pay at the time of termination, years of service and certain other factors.

Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from certain consolidated subsidiaries and annuity payments from a trustee.

7. SHORT-TERM BORROWINGS

Short-term borrowings at March 31, 2002 and 2001 and September 30, 2002, consisted of the following:

	Millions of Yen			Thousands of
	March 31		September 30,	U.S. Dollars
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>September 30,</u> <u>2002</u>
Short-term loans principally from banks (principally bank overdrafts) weighted average interest rate of 0.291%, 0.682% and 0.296% at March 31, 2002, 2001 and September 30, 2002	¥ 303,503	¥ 403,441	¥ 221,972	\$ 1,810,538
Commercial paper, weighted average interest rate of 0.007% and 0.016% at March 31, 2002 and September 30, 2002	<u>50,000</u>	<u> </u>	<u>84,000</u>	<u>685,155</u>
Total	<u>¥ 353,503</u>	<u>¥ 403,441</u>	<u>¥ 305,972</u>	<u>\$ 2,495,693</u>

8. SHAREHOLDERS' EQUITY

Japanese companies are subject to the Japanese Commercial Code (the "Code") to which certain amendments became effective from October 1, 2001.

Prior to October 1, 2001, the Code required at least 50% of the issue price of new shares, with a minimum of the par value thereof, to be designated as stated capital as determined by resolution of the Board of Directors. Proceeds in excess of amounts designated as stated capital were credited to additional paid-in capital. Effective October 1, 2001, the Code was revised and common stock par values were eliminated resulting in all shares being recorded with no par value.

Prior to October 1, 2001, the Code also provided that an amount at least equal to 10% of the aggregate amount of cash dividends and certain other cash payments which are made as an appropriation of retained earnings applicable to each fiscal period shall be appropriated and set aside as a legal reserve until such reserve equals 25% of stated capital. Effective October 1, 2001, the revised Code allows for such appropriations to be set aside as a legal reserve until the total additional paid-in capital and legal reserve equals 25% of stated capital. The amount of total additional paid-in capital and legal reserve which exceeds 25% of stated capital can be transferred to retained earnings by resolution of the shareholders, which may be available for dividends. The Company's legal reserve amount, which is included in retained earnings, totals ¥122,330 million (\$997,798 thousand) as of September 30, 2002, March 31, 2002 and 2001. Under the Code, companies may issue new common shares to existing shareholders without consideration as a stock split pursuant to a resolution of the Board of Directors. Prior to October 1, 2001, the amount calculated by dividing the total amount of shareholders' equity by the number of outstanding shares after the stock split could not be less than ¥500. The revised Code eliminated this restriction.

Prior to October 1, 2001, the Code imposed certain restrictions on the repurchase and use of treasury stock. Effective October 1, 2001, the Code eliminated these restrictions allowing companies to repurchase treasury stock by a resolution of the shareholders at the general shareholders' meeting and dispose of such treasury stock by resolution of the Board of Directors after March 31, 2002. The repurchased amount of treasury stock cannot exceed the amount available for future dividends plus the amount of stated capital, additional paid-in capital or legal reserve to be reduced, in the case where such reduction was resolved at the general shareholders' meeting.

The Code permits companies to transfer a portion of additional paid-in capital and legal reserve to stated capital by resolution of the Board of Directors. The Code also permits companies to transfer a portion of unappropriated retained earnings available for dividends to stated capital by resolution of the shareholders.

Dividends are approved by the shareholders at a meeting held subsequent to the fiscal year to which the dividends are applicable. Semiannual interim dividends may also be paid upon resolution of the Board of Directors, subject to certain limitations imposed by the Code.

9. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥30,499 million, ¥29,374 million, ¥7,588 million (\$61,892 thousand) and ¥9,562 million for the years ended March 31, 2002 and 2001 and for the six months ended September 30, 2002 and 2001, respectively.

10. LEASES

Lessor

Finance Leases

Revenues under finance leases were ¥4,805 million and ¥839 million for the years ended March 31, 2002 and 2001 and ¥2,723 million (\$22,210 thousand) and ¥2,346 million for the six months ended September 30, 2002 and 2001, respectively.

Certain information of leased property under finance leases for the years ended March 31, 2002 and 2001 and the six months ended September 30, 2002, was as follows:

	Millions of Yen			Thousands of
	March 31		September 30,	U.S. Dollars
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>September 30,</u>
Acquisition cost	¥ 26,340	¥ 4,218	¥ 29,541	\$ 240,954
Accumulated depreciation	<u>18,174</u>	<u>3,445</u>	<u>18,614</u>	<u>151,827</u>
Net leased property	<u>¥ 8,166</u>	<u>¥ 773</u>	<u>¥ 10,927</u>	<u>\$ 89,127</u>

Future lease revenue under finance leases:

	Millions of Yen			Thousands of
	Other Facilities		September 30,	U.S. Dollars
	<u>March 31</u>	<u>2001</u>	<u>2002</u>	<u>September 30,</u>
Due within one year	¥ 4,962	¥ 625	¥ 4,861	\$ 39,649
Due after one year	<u>10,055</u>	<u>1,025</u>	<u>12,470</u>	<u>101,713</u>
Total	<u>¥ 15,017</u>	<u>¥ 1,650</u>	<u>¥ 17,331</u>	<u>\$ 141,362</u>

Future lease revenue under finance leases includes the imputed interest revenue and lease revenue from the sublease.

Depreciation expenses relating to the leased assets mentioned above was ¥4,479 million and ¥906 million for the years ended March 31, 2002 and 2001 and ¥2,713 million (\$22,129 thousand) and ¥1,971 million for the six months ended September 30, 2002 and 2001, respectively.

Operating Leases

Future revenues due under non-cancelable operating leases at March 31, 2002 and 2001 and September 30, 2002 were as follows:

	Millions of Yen		Thousands of	
	March 31		U.S. Dollars	
	<u>2002</u>	<u>2001</u>	September 30,	
		September 30,	2002	
Due within one year	¥ 27		¥ 4	\$ 41
Due after one year	<u>4</u>		<u>—</u>	<u>—</u>
Total	<u>¥ 31</u>		<u>¥ 4</u>	<u>\$ 41</u>

Lessee

Finance Leases

Total lease payments under finance leases were ¥3,177 million and ¥6,811 million for the years ended March 31, 2002 and 2001 and ¥1,305 million (\$10,644 thousand) and ¥1,796 million for the six months ended September 30, 2002 and 2001, respectively.

Certain information of leased property under finance leases that are deemed to transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2002 and 2001 and the six months ended September 30, 2002 was as follows:

	Millions of Yen				
	<u>Nuclear Power Production Facilities</u>	<u>Distribution Facilities</u>	<u>General Facilities</u>	<u>Other Facilities</u>	<u>Total</u>
As of March 31, 2002:					
Acquisition cost	¥ 4,436	¥ 1,135	¥ 4,739	¥ 8,378	¥ 18,688
Accumulated depreciation	<u>(628)</u>	<u>(881)</u>	<u>(4,643)</u>	<u>(5,245)</u>	<u>(11,397)</u>
Net leased property	<u>¥ 3,808</u>	<u>¥ 254</u>	<u>¥ 96</u>	<u>¥ 3,133</u>	<u>¥ 7,291</u>

	Millions of Yen				
	Nuclear Power Production Facilities	Distribution Facilities	General Facilities	Other Facilities	Total
As of March 31, 2001:					
Acquisition cost	¥ 1,769	¥ 5,930	¥ 18,683	¥ 15,096	¥ 41,478
Accumulated depreciation	<u>(650)</u>	<u>(3,851)</u>	<u>(9,016)</u>	<u>(8,341)</u>	<u>(21,858)</u>
Net leased property	<u>¥ 1,119</u>	<u>¥ 2,079</u>	<u>¥ 9,667</u>	<u>¥ 6,755</u>	<u>¥ 19,620</u>

	Millions of Yen				
	Nuclear Power Production Facilities	Distribution Facilities	General Facilities	Other Facilities	Total
As of September 30, 2002:					
Acquisition cost	¥ 4,456	¥ 1,135	¥ 335	¥ 7,157	¥ 13,083
Accumulated depreciation	<u>(959)</u>	<u>(944)</u>	<u>(285)</u>	<u>(4,234)</u>	<u>(6,422)</u>
Net leased property	<u>¥ 3,497</u>	<u>¥ 191</u>	<u>¥ 50</u>	<u>¥ 2,923</u>	<u>¥ 6,661</u>

	Thousands of U.S. Dollars				
	Nuclear Power Production Facilities	Distribution Facilities	General Facilities	Other Facilities	Total
As of September 30, 2002:					
Acquisition cost	\$ 36,346	\$ 9,258	\$ 2,732	\$ 58,377	\$ 106,713
Accumulated depreciation	<u>(7,822)</u>	<u>(7,700)</u>	<u>(2,325)</u>	<u>(34,535)</u>	<u>(52,382)</u>
Net leased property	<u>\$ 28,524</u>	<u>\$ 1,558</u>	<u>\$ 407</u>	<u>\$ 23,842</u>	<u>\$ 54,331</u>

Obligations under finance leases:

	Millions of Yen			Thousands of U.S. Dollars
	March 31		September 30,	September 30,
	2002	2001	2002	2002
Due within one year	¥ 2,148	¥ 5,765	¥ 1,942	\$ 15,840
Due after one year	<u>5,174</u>	<u>13,855</u>	<u>4,748</u>	<u>38,728</u>
Total	<u>¥ 7,322</u>	<u>¥ 19,620</u>	<u>¥ 6,690</u>	<u>\$ 54,568</u>

The amount of leased assets and obligations under finance leases includes the imputed interest expense portion and obligations under finance leases includes the accrued sublease rentals.

Depreciation expense, which is not reflected in the accompanying consolidated statements of income, computed by the straight-line method over the respective lease periods was ¥3,177 million and ¥6,811 million for the years ended March 31, 2002 and 2001 and ¥1,305 million (\$10,644 thousand) and ¥1,796 million for the six months ended September 30, 2002 and 2001, respectively.

Operating Leases

Obligations under non-cancelable operating leases at March 31, 2002 and 2001 and September 30, 2002 were as follows:

	Millions of Yen			Thousands of
	March 31		September 30,	U.S. Dollars
	2002	2001	2002	September 30, 2002
Due within one year	¥ 78	¥ 68	¥ 78	\$ 636
Due after one year	<u>71</u>	<u>126</u>	<u>32</u>	<u>261</u>
Total	<u>¥ 149</u>	<u>¥ 194</u>	<u>¥ 110</u>	<u>\$ 897</u>

11. COMMITMENTS AND CONTINGENCIES

At September 30, 2002, the Companies had firm purchase commitments, principally related to utility plant expansion, of approximately ¥214,089 million (\$1,746,240 thousand). Additionally, the Companies have entered into several fuel supply contracts which involve commitments.

At September 30, 2002, the Companies had the following contingent liabilities:

	Millions of Yen	Thousands of
	September 30, 2002	U.S. Dollars September 30, 2002
Co-guarantees of loans and bonds of other companies:		
Japan Nuclear Fuel Limited	¥ 219,818	\$ 1,792,969
Other	<u>1,853</u>	<u>15,114</u>
Total	<u>¥ 221,671</u>	<u>\$ 1,808,083</u>
Contingency relating to debt assumption agreement	¥ 176,781	\$ 1,441,933
Contingency relating to endorsement	¥ 29	\$ 237

12. SUBSEQUENT EVENT

On November 19, 2002, the Company declared an interim cash dividend of ¥25 (\$0.20) per share to shareholders of record at September 30, 2002, amounting to a total of ¥24,062 million (\$196,305 thousand).

On November 19, 2002, Board of Directors of Company resolved to discontinue a construction project of the Kaneihara Hydroelectric power plant and to propose discontinuation to concerned parties such as Gifu Prefecture and Shiga Prefecture.

The Kaneihara Hydroelectric power plant was planned for construction in order to cover peak demand. The Company implemented preparatory work and incurred costs for construction. However, electric power demand currently shows minimal growth due to energy saving consumers and the increase in on-site power supplies. Moreover, future demand is uncertain due to potential further deregulation and the further expansion of on-site power supplies. As a result of such recent developments, the Company has decided to discontinue the construction plan.

The effect on the Companies' consolidated financial statement for the year ending March 31, 2003 is estimated to be approximately ¥60,000 million of loss, excluding the amount of remaining usable property such as land and buildings.

13. DERIVATIVE

The Companies enters into derivative financial instruments, including foreign currency forward contracts, currency swaps and interest rate swaps, to reduce market risks associated with assets and liabilities in the normal course of business.

The fair value of the Companies' derivative financial instrument at March 31, 2002 and September 30, 2002 is as follows:

	Millions of Yen		
	March 31, 2002		
	<u>Contracted Amount</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Foreign currency forward contracts Selling U.S. Dollars	¥1,356	¥1,778	¥(422)

	Millions of Yen		
	September 30, 2002		
	<u>Contracted Amount</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Foreign currency forward contracts Selling U.S. Dollars	¥1,356	¥1,717	¥(361)

	Thousands of U.S. Dollars		
	September 30, 2002		
	<u>Contracted Amount</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Foreign currency forward contracts Selling U.S. Dollars	\$11,060	\$14,005	\$(2,945)

Foreign currency forward contracts that qualify for hedge accounting are excluded from disclosure of fair value information.

14. SEGMENT INFORMATION

Information about industry segments of the Company and consolidated subsidiaries for the year ended March 31, 2002 and 2001, and for the six months ended September 30, 2002 and 2001 are as follows:

Sales and Operating Income

	Millions of Yen				
	Electric Power	IT/ Communications	Other	Eliminations/ Corporate	Consolidated
For the year ended March 31, 2002					
Sales to customers	¥ 2,509,564	¥ 28,815	¥ 113,218		¥ 2,651,597
Intersegment sales	<u>8,253</u>	<u>39,701</u>	<u>260,619</u>	¥ (308,573)	
Total sales	2,517,817	68,516	373,837	(308,573)	2,651,597
Operating expenses	<u>2,206,105</u>	<u>75,341</u>	<u>363,640</u>	<u>(312,801)</u>	<u>2,332,285</u>
Operating income	<u>¥ 311,712</u>	<u>¥ (6,825)</u>	<u>¥ 10,197</u>	<u>¥ 4,228</u>	<u>¥ 319,312</u>
For the year ended March 31, 2001					
Sales to customers	¥ 2,575,178	¥ 16,688	¥ 56,078		¥ 2,647,944
Intersegment sales	<u>6,273</u>	<u>32,256</u>	<u>189,225</u>	¥ (227,754)	
Total sales	2,581,451	48,944	245,303	(227,754)	2,647,944
Operating expenses	<u>2,245,374</u>	<u>51,485</u>	<u>238,632</u>	<u>(228,229)</u>	<u>2,307,262</u>
Operating income	<u>¥ 336,077</u>	<u>¥ (2,541)</u>	<u>¥ 6,671</u>	<u>¥ 475</u>	<u>¥ 340,682</u>
For the six months ended September 30, 2002					
Sales to customers	¥ 1,283,212	¥ 16,406	¥ 44,340		¥ 1,343,958
Intersegment sales	<u>4,199</u>	<u>17,558</u>	<u>102,449</u>	¥ (124,206)	
Total sales	1,287,411	33,964	146,789	(124,206)	1,343,958
Operating expenses	<u>1,048,064</u>	<u>36,684</u>	<u>146,350</u>	<u>(124,943)</u>	<u>1,106,155</u>
Operating income	<u>¥ 239,347</u>	<u>¥ (2,720)</u>	<u>¥ 439</u>	<u>¥ 737</u>	<u>¥ 237,803</u>

	Millions of Yen				Consolidated
	Electric Power	IT/ Communications	Other	Eliminations/ Corporate	
For the six months ended September 30, 2001					
Sales to customers	¥ 1,300,818	¥ 13,946	¥ 48,287		¥ 1,363,051
Intersegment sales	<u>3,633</u>	<u>17,514</u>	<u>114,452</u>	¥ (135,599)	
Total sales	1,304,451	31,460	162,739	(135,599)	1,363,051
Operating expenses	<u>1,074,827</u>	<u>31,770</u>	<u>162,028</u>	<u>(139,409)</u>	<u>1,129,216</u>
Operating income	<u>¥ 229,624</u>	<u>¥ (310)</u>	<u>¥ 711</u>	<u>¥ 3,810</u>	<u>¥ 233,835</u>

	Thousands of U.S. Dollars				Consolidated
	Electric Power	IT/ Communications	Other	Eliminations/ Corporate	
For the six months ended September 30, 2002					
Sales to customers	\$ 10,466,656	\$ 133,817	\$ 361,664		\$ 10,962,137
Intersegment sales	<u>34,250</u>	<u>143,214</u>	<u>835,636</u>	\$ (1,013,100)	
Total sales	10,500,906	277,031	1,197,300	(1,013,100)	10,962,137
Operating expenses	<u>8,548,646</u>	<u>299,217</u>	<u>1,193,719</u>	<u>(1,019,111)</u>	<u>9,022,471</u>
Operating income	<u>\$ 1,952,260</u>	<u>\$ (22,186)</u>	<u>\$ 3,581</u>	<u>\$ 6,011</u>	<u>\$ 1,939,666</u>

Geographic segment information is not disclosed because generally accepted accounting principles in Japan do not require such disclosure if sales of foreign operations represent less than 10% of total sales.

Sales to foreign customers are not disclosed because generally accepted accounting principles in Japan do not require such disclosure if sales to foreign customers represent less than 10% of total sales.

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