

January 29, 2008

The 3rd Quarter of the Fiscal Year Ending March 31, 2008 Financial Results Overview
Kyushu Electric Power Co., Inc.

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Stock listed on: Tokyo Stock Exchange,
Osaka Securities Exchange,
Fukuoka Stock Exchange
URL: http://www1.kyuden.co.jp/en_index

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months (April 1, 2007 to December 31, 2007)

(1) Consolidated Operational Results

(% shows the changes from the previous FY)

	Sales		Operating income		Ordinary income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
April 1, 2007 - December 31, 2007	1,085,026	4.0	118,598	-26.9	96,094	-28.2
April 1, 2006 - December 31, 2006	1,043,231	2.3	162,199	17.7	133,859	25.7
FY2006 ended March 31, 2007	1,408,327		155,172		118,580	

	Net income		Net earnings	Fully-diluted net earnings
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2007 - December 31, 2007	58,971	-28.1	124.64	
April 1, 2006 - December 31, 2006	81,976	28.4	173.18	
FY2006 ended March 31, 2007	65,967		139.37	

(2) Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
April 1, 2007 - December 31, 2007	4,034,416	1,112,286	27.1	2,314.79
April 1, 2006 - December 31, 2006	4,038,215	1,109,456	27.2	2,321.72
FY2006 ended March 31, 2007	4,038,838	1,092,600	26.8	2,285.86

(3) Consolidated Cash Flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Cash and cash equivalents balance as of term-end
	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)
April 1, 2007 - December 31, 2007	199,440	-172,662	-21,583	56,472
April 1, 2006 - December 31, 2006	218,594	-152,703	-67,006	50,638
FY2006 ended March 31, 2007	304,514	-202,811	-102,790	50,671

2. Dividends

(Record date)	Annual dividends per share				
	1Q	Interim	3Q	Year-end	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2006		30.00		30.00	60.00
FY2007		30.00	—		
FY2007 (projected)				30.00	60.00

3. Forecast for FY2007 ending March 2008 (April 1, 2007 to March 31, 2008)

(% shows the changes from the same financial periods of the previous year)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	(Unit: billion yen)	(%)	(Unit: billion yen)	(%)	(Unit: billion yen)	(%)	(Unit: billion yen)	(%)	(Unit: yen)
Year-end	1,475	4.7	103	-33.6	71	-40.1	43	-34.8	90.87

4. Other

(1) Changes in significant subsidiaries (changes in scope of consolidated subsidiaries) : No

*Notes on the scope of consolidation and the application of the equity method

Consolidated subsidiaries: 34

Non-consolidated subsidiaries accounted for under the equity method: 17

Affiliated companies accounted for under the equity method: 12

Changes in the scope of consolidation and the application of the equity method from March 31, 2007

Consolidated subsidiaries Newly added: 5 Excluded: None

Under the equity method Newly added: 6 Excluded: 3

(2) Adoption of simplified method in accounting practice : No

(3) Changes in the accounting practices from FY2006 : Yes

* For the details, see page 8 [Qualitative Information and Financial Statements] 4. Other.

(Reference) Outline of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Nine Months (April 1, 2007 to December 31, 2007)

(1) Non-Consolidated Operational Results

(% shows the changes from the previous FY)

	Sales		Operating income		Ordinary income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
April 1, 2007 - December 31, 2007	1,025,496	3.5	111,433	-27.1	87,357	-30.6
April 1, 2006 - December 31, 2006	990,867	1.8	152,827	15.3	125,951	23.2
FY2006 ended March 31, 2007	1,333,037		143,799		105,778	

	Net income		Net earnings per share	Fully-diluted net earnings per share
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2007 - December 31, 2007	53,991	-30.6	114.03	
April 1, 2006 - December 31, 2006	77,816	27.5	164.28	
FY2006 ended March 31, 2007	59,236		125.07	

(2) Non-Consolidated Financial Position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
April 1, 2007 - December 31, 2007	3,758,224	1,028,320	27.4	2,171.96
April 1, 2006 - December 31, 2006	3,789,317	1,038,480	27.4	2,192.90
FY2006 ended March 31, 2007	3,790,112	1,018,803	26.9	2,151.63

2. Non-consolidated Forecast for FY2007 ending March 2008 (April 1, 2007 to March 31, 2008)

(% shows the changes from the same financial periods of the previous year)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	(Unit: billion yen)	(%)	(Unit: billion yen)	(%)	(Unit: billion yen)	(%)	(Unit: billion yen)	(%)	(Unit: yen)
Year-end	1,388	4.1	94	-34.6	60	-43.3	36	-39.2	76.03

*Notes on the proper use of the forecasts

The above forecasts are based on information available at the date of the release of this document. Due to various factors, the actual result may differ from these forecasts. Forecast for FY2007 has been revised from the forecast we announced in October 2007. For the assumptions applied to the above forecasts, see page 7.

[Qualitative Information and Financial Statements]

1. Qualitative information regarding business performance

(1) Consolidated Financial Overview

Consolidated sales (operating revenues) increased by 4.0% to ¥1,085 billion compared with the 3Q of FY2006, the ordinary revenues increased by 4.3% to ¥1,093.6 billion, the ordinary expenses increased by 9.0% to ¥997.5 billion, the ordinary income for the 3Q of FY2007 decreased by 28.2% to ¥96.0 billion and the net income decreased by 28.1% to ¥58.9 billion mainly affected by the business performance in electricity business.

Operating results for each of our business segments (before eliminating internal transactions) are as follows:

Operating Results (before eliminating internal transactions)

(Unit: 100 million yen, %)

		FY2007 1-3Q (A)	FY2006 1-3Q (B)	Difference (A-B)	Change (A/B)
Electricity	Sales	10,084	9,751	333	103.4
	Operating Income	1,117	1,533	-415	72.9
Energy-related	Sales	928	854	74	108.7
	Operating Income	44	36	8	123.7
IT & Telecommunication	Sales	599	529	70	113.2
	Operating Income	-12	8	-21	-
Other	Sales	180	196	-16	91.8
	Operating Income	25	34	-8	75.8

(Note) Electricity includes the company's business operations except incidental businesses

Electricity Business

The revenue from electricity business increased by 3.4% to ¥1,008.4 billion compared with the 3rd quarter of the previous year mainly due to the increased electricity sales. Operating income decreased by 27.1% to ¥111.7 billion due to the increase in fuel costs and maintenance costs.

Energy-related Business

The sales revenues from energy-related business increased by 8.7% to ¥92.8 billion compared with the 3rd quarter of the previous year mainly due to three newly added consolidated subsidiaries. Operating income increased by 23.7% to ¥4.4 billion compared with the 3rd quarter of the previous year mainly due to an increase in the completion of maintenance and repair work on power plants.

IT & Telecommunication Business

The sales revenues from IT and telecommunication business increased by 13.2% to ¥59.9 billion from the 3rd quarter of the previous year mainly due to a newly added consolidated subsidiary. Operating income decreased by ¥2.1 billion from the 3rd quarter of the previous year mainly because of the increase in the capital expenditure and other related expenses associated with the expansion of the broadband services. Consequently we recorded operating loss of ¥1.2 billion for this 3rd quarter of FY2007.

Other Businesses

The sales revenues decreased by 8.2% to ¥18.0 billion and operating income decreased by 24.2% to ¥2.5 billion from the 3rd quarter of the previous year mainly due to a decrease in revenues from property sales.

(2) Non-consolidated Financial Overview

Sales and Supply Overview

In the 3rd quarter of FY2007, the demand for electric light, power for commercial operations and other general demands increased by 2.4% compared with the same period of the previous year. This increase in the sales volume was mainly due to an increase in air-conditioning system demand resulting from the lingering heat in late summer and the growth of the commercial demand for light and power supported by the opening of new commercial complexes.

The power demand from large industrial customers increased by 6.9% from the 3rd quarter of the previous year, supported by the steady production growth in the transportation machinery, the steel and the chemical industry. Another factor which contributed to this increase was the rise in the crude oil price. Because of this rise, some factories that have procured electric power from their own in-house power generation systems switched to buying electric power from Kyushu Electric Power.

Consequently, the total electricity sales for the 3rd quarter of FY2007 increased by 3.7% to 65.32 billion kWh compared with the 3rd quarter of the previous year.

Electricity Sales Volume

(Unit: million kWh, %)

		FY2007 1-3Q	FY2006 1-3Q	Difference	Change
		(A)	(B)	(A-B)	(A/B)
Lightning		20,881	20,326	555	102.7
Power		44,443	42,685	1,758	104.1
Electricity Sales Total		65,324	63,011	2,313	103.7
(Figures are included above)	Customers other than large-scale industrial	46,233	45,160	1,073	102.4
	Large-scale industrial customers	19,091	17,851	1,240	106.9

On the supply side, mainly owing to the smooth operation of nuclear power plants, we have provided stable supply of electricity to our customers.

Generated and Received Electricity

(Unit: million kWh, %)

		FY2007 1-3Q	FY2006 1-3Q	Difference	Change
		(A)	(B)	(A-B)	(A/B)
Own facilities	Hydro (Water flow rate)	2,971 (80.8)	3,398 (107.4)	-427 (-26.6)	87.4
	Thermal	26,071	25,127	944	103.8
	Nuclear (Utilization rate)	30,938 (89.1)	29,672 (85.5)	1,266 (3.6)	104.3
	Subtotal	59,980	58,197	1,783	103.1
From other companies		12,727	11,392	1,335	111.7
Interchange		-357	-154	-203	231.3
For pumping		-616	-233	-383	264.6
Total		71,734	69,202	2,532	103.7

Income and Expenditure Overview

On the revenue side, the sales revenue (operating revenues) increased by 3.5% to ¥1,025.4 billion compared with the same period of FY2006 and the ordinary revenues increased by 3.7% to ¥1,032.3 billion, mainly due to the increased electricity sales volume.

On the expenditure side, the ordinary expenses increased by 8.7% to ¥944.9 billion, mainly due to the increase in the fuel cost resulting from rising fuel prices, increasing electricity sales volume, and the impact of drought. Another factor which contributed to this increase was the rise in the increase in the maintenance costs as the costs for the maintenance and repair of the steam power plants increased.

As a result, the ordinary income for the 3rd quarter of FY2007 decreased by 30.6% to ¥87.3 billion and the net income decreased by 30.6% to ¥53.9 billion from the same period of the previous year.

Income and Expenditure (Non-consolidated)

(Unit: 100 million yen, %)

		FY2007 1-3Q (A)	FY2006 1-3Q (B)	Difference (A-B)	Change (A/B)	Composition Ratio	
						FY2007 1-3Q	FY2006 1-3Q
Ordinary Revenues	Lightning	4,099	3,996	102	102.6	39.7	40.1
	Power	5,777	5,570	206	103.7	56.0	56.0
	(Subtotal)	(9,876)	(9,567)	(309)	(103.2)	(95.7)	(96.1)
	Other	446	389	57	114.7	4.3	3.9
	[Sales] Total	[10,254] 10,323	[9,908] 9,956	[346] 366	[103.5] 103.7	[99.3] 100.0	[99.5] 100.0
Ordinary Expenses	Labor	1,034	1,083	-48	95.5	11.0	12.4
	Fuel	1,907	1,482	424	128.7	20.2	17.0
	Maintenance	1,313	1,181	132	111.2	13.9	13.6
	Depreciation	1,474	1,396	77	105.5	15.6	16.1
	Power purchase	910	838	71	108.5	9.6	9.6
	Interest	250	260	-10	95.8	2.6	3.0
	Tax & public dues	694	702	-8	98.8	7.4	8.1
	Nuclear back-end	372	327	44	113.5	3.9	3.8
	Other Total	1,493 9,449	1,422 8,697	70 752	105.0 108.7	15.8 100.0	16.4 100.0
[Operating Income]		[1,114]	[1,528]	[-413]	[72.9]		
Ordinary Income		873	1,259	-385	69.4		
Drought Reserve		-	8	-9	-		
Income before income taxes		874	1,250	-376	69.9		
Income taxes		334	472	-138	70.8		
Net Income		539	778	-238	69.4		

(Note) Nuclear back-end expenses include the costs below:

- Costs for reprocessing of irradiated nuclear fuel
- Costs for preparation of reprocessing of irradiated nuclear fuel
- Costs for disposal of transuranic waste
- Costs for decommissioning nuclear power plants

2. Qualitative information regarding financial condition

(1) Consolidated assets, debt, and shareholders' equity overview

Consolidated assets decreased by ¥4.4 billion compared with the end of previous fiscal year to ¥4,034.4 billion mainly because the fixed assets in electricity business decreased due to the progress of depreciation.

Consolidated debt decreased by ¥24.1 billion to ¥2,922.1 billion due to a decrease in accrued retirement benefits while interest-bearing debt increased. The interest-bearing debt increased by ¥13.2 billion to ¥2,045.0 billion mainly due to an increase in commercial paper issued for electricity business.

Consolidated shareholders' equity increased by ¥19.6 billion to ¥1,112.2 billion as the net income for the 3rd quarter has recorded, despite a decrease resulting from dividends payment. Consequently the shareholders' equity ratio slightly declined to 27.1%.

(2) Consolidated cash flow overview

Cash inflow from operating activities decreased by 8.8% to ¥199.4 billion compared with the same period of the previous year mainly due to an increase in fuel costs and maintenance costs in electricity business.

Cash outflow from investing activities increased by 13.1% to ¥172.6 billion from the same period of the previous year mainly due to an increase in capital investments.

Cash outflow from financing activities decreased by 67.8% to ¥21.5 billion.

As a result, the balance of cash and cash equivalent at the end of the 3rd quarter of FY2007 including ¥500 million inflow from newly consolidated subsidiaries increased by ¥5.8 billion to ¥56.4 billion compared with the end of the 3rd quarter of the previous fiscal year.

3. Qualitative information regarding forecasts for FY2007

[Forecast for the consolidated operating performance in FY2007]

The company revised its forecasts of sales revenues, operating income, ordinary income and net income announced in October 2007 as the sales volume of electricity is projected to increase in FY2007 due to an impact of lingering heat and booming production activities of the customers in industrial sectors. Other reasons of the revision include an increase in fuel cost due to rising fuel prices and an increase in maintenance cost due to additional work to enhance electric supply reliability.

Forecasts of operational performance in FY2007

(Unit: billion yen)

	Consolidated	Non-consolidated
Sales revenue	1,475 [104.7%]	1,388 [104.1%]
Operating income	103 [66.4%]	94 [65.4%]
Ordinary income	71 [59.9%]	60 [56.7%]
Net income	43 [65.2%]	36 [60.8%]

(Note) the percentage figures in [] show the comparison from the previous year

Sensitivity factors (non-consolidated)

	FY2007	FY2006
Electricity sales volume	88.0 Billion kWh [104.2%]	84.4 Billion kWh [101.7%]
Crude oil (CIF) price	\$77/b	\$63/b
Exchange rate	¥116/\$	¥117/\$
Nuclear power generation capacity utilization rate	85.6%	82.1%
Water release rate	83.9%	103.5%

(Note) the percentage figures in [] show the comparison from the previous year

(Reference) FY2007 the impact of sensitivity factors on non-consolidated financial performance

Crude oil (CIF) price \$1/b	¥2.9 billion
Exchange rate ¥1/\$	¥2.2 billion
Nuclear power generation capacity utilization rate 1%	¥2.9 billion

1. Other

(1) Changes in significant subsidiaries (changes in scope of consolidated subsidiaries)

N/A

(2) Adoption of simplified methods in accounting practices

N/A

(3) Any changes in accounting practices from the previous fiscal year

In line with the FY2007 Tax Reform, the company has recorded depreciation on tangible fixed assets acquired on or after April 1, 2007 based on the revised corporation tax system since this 3rd quarter of FY2007. This change brought ¥600 million increase in depreciation costs compared with the previous method, resulting in the decrease in ordinary income and net income before income taxes for this quarter by the same amount.

Also starting in this financial period, the company depreciates those tangible fixed assets acquired before April 1, 2007 depreciating to the final depreciable limit (currently 95% of their acquisition costs) in five years using the straight line method. This additional depreciation brought ¥11.2 billion increase in depreciation costs compared with the previous method, resulting in the decrease in ordinary income and net income before income taxes for this quarter by the same amount.

Consolidated Balance Sheets
(As of December 31, 2007)

(Unit: million yen)

Assets				Liabilities and Shareholders' Equity			
Accounts	December 31, 2007	March 31, 2006	Change	Accounts	December 31, 2007	March 31, 2006	Change
Property, Plant and Equipment	3,749,674	3,789,816	-40,141	Long-term Liabilities	2,421,302	2,388,945	32,357
Utility property, plant and equipment	2,600,333	2,529,815	70,517	Bonds	1,066,456	1,026,850	39,606
Hydro power production facilities	330,634	183,935	146,698	Long-term loans	668,899	662,256	6,642
Thermal power production facilities	300,220	322,949	-22,728	Accrued retirement benefits	158,760	177,182	-18,421
Nuclear power production facilities	241,508	257,252	-15,743	Reserve for reprocessing of irradiated nuclear fuel	350,418	364,837	-14,418
Internal combustion power production facilities	23,731	25,370	-1,639	Reserve for preparation of reprocessing of irradiated nuclear fuel	10,064	6,976	3,087
Transmission facilities	695,352	713,552	-18,199	Reserve for decommissioning of nuclear power plant	131,313	126,172	5,140
Transformation facilities	261,518	271,507	-9,988	Deferred tax liabilities	40	49	-9
Distribution facilities	613,734	615,019	-1,285	Other fixed liabilities	35,350	24,620	10,729
General facilities	123,447	129,513	-6,065	Current Liabilities	500,826	557,201	-56,374
Other utility property, plant and equipment	10,186	10,714	-527	Current portion of long-term debt	144,476	203,815	-59,339
Other property, plant and equipment	296,972	294,581	2,391	Short-term borrowings	140,337	136,050	4,287
Construction in progress	211,368	315,860	-104,492	Notes and accounts payable	46,763	46,109	653
Construction and retirement in progress	211,368	315,860	-104,492	Income taxes payable	23,573	34,420	-10,846
Nuclear fuel	250,408	240,662	9,745	Other current liabilities	145,673	136,804	8,868
Loaded nuclear fuel	35,573	43,837	-8,264				
Nuclear fuel in processing	214,835	196,825	18,010	Reserve	-	90	-90
Investments and other assets	390,591	408,895	-18,304	Drought reserve	-	90	-90
Long-term investments	145,655	168,158	-22,502	Total Liabilities	2,922,129	2,946,237	-24,108
Reserve for reprocessing of irradiated nuclear fuel	79,268	70,082	9,185				
Deferred tax assets	105,467	104,895	572	Shareholders' Equity	1,053,179	1,022,959	30,220
Other assets	61,468	67,010	-5,541	Common stock	237,304	237,304	-
Allowance for doubtful accounts	-1,268	-1,250	-17	Additional paid-in capital	31,129	31,093	35
Current Assets	284,741	249,022	35,718	Retained earnings	786,786	756,405	30,380
Cash and cash equivalent	56,346	50,691	5,655	Treasury stock	-2,040	-1,844	-196
Trade notes and accounts receivable	109,112	103,660	5,452	Valuation and translation adjustments	42,049	58,673	-16,643
Inventories, principally fuel, at average cost	71,397	49,918	21,479	Unrealized gain on other securities	37,860	54,992	-17,131
Deferred tax assets	13,441	15,813	-2,371	Loss on deferred hedge	4,433	3,865	568
Other current assets	35,665	30,107	5,557	Foreign currency translation adjustments	-264	-183	-81
Allowance for doubtful accounts	-1,222	-1,168	-53	Minority Interests	17,076	10,967	6,109
Total	4,034,416	4,038,838	-4,422	Total Shareholders' Equity	1,112,286	1,092,600	19,686
				Total	4,034,416	4,038,838	-4,422

Consolidated Statements of Income
(From April 1, 2007 to December 31, 2007)

(Unit: million yen)

Expenses					Revenues				
Accounts	FY2007 3Q	FY2006 3Q	Change	(Reference) FY2006	Accounts	FY2007 3Q	FY2006 3Q	Change	(Reference) FY2006
Operating Expenses	966,427	881,032	85,395	1,253,154	Operating Revenues	1,085,026	1,043,231	41,794	1,408,327
Electricity	890,576	815,034	75,542	1,155,413	Electricity	1,006,762	973,315	33,447	1,307,737
Other	75,851	65,997	9,853	97,741	Other	78,263	69,916	8,347	100,590
Operating Income	(118,598)	(162,199)	(-43,600)	(155,172)					
Other Expenses	31,172	34,098	-2,925	45,343	Other Revenues	8,667	5,758	2,909	8,751
Interest expenses	26,908	27,993	-1,085	38,354	Proceed from dividends	1,643	2,070	-427	2,356
Loss on affiliates	-	189	-189	-	Proceed from interests	1,546	800	746	1,207
Other	4,264	5,914	-1,650	6,989	Gain on sale of property and equipment	-	720	-720	998
					Gain on sale of marketable securities	1,834	-	1,834	-
					Equity in net earnings of affiliate	901	-	901	842
					Other	2,741	2,165	575	3,347
Total Ordinary Expenses	997,599	915,130	82,469	1,298,498	Total Ordinary Revenues	1,093,693	1,048,989	44,704	1,417,079
Ordinary Income	96,094	133,859	-37,765	118,580					
Provision for (reversal of) drought reserve	-90	872	-963	90					
Provision for drought reserve	-	872	-872	90					
Reversal of drought reserve	-90	-	-90	-					
Extraordinary Losses	-	-	-	5,602					
Impairment loss	-	-	-	5,602					
Income before income taxes	96,184	132,986	-36,801	112,887					
Income Taxes	24,163	38,664	-14,500	38,266					
Income Taxes-Deferred	12,286	11,702	583	7,808					
Minority Interests	764	644	120	844					
Net Income	58,971	81,976	-23,004	65,967					

Consolidated Statements of Changes in Shareholders' Equity

(From April 1, 2007 to December 31, 2007)

(Unit: million yen)

	Shareholders' Equity					Valuation and translation adjustments				Minority Interests	Shareholders' Equity Total
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total	Unrealized gain on other securities	Gain on deferred hedge	Foreign currency translation adjustment	Total		
Balances at March 31, 2007	237,304	31,093	756,405	-1,844	1,022,959	54,992	3,865	-183	58,673	10,967	1,092,600
Changes during this nine months											
Dividends declared			-28,406		-28,406						-28,406
Net Income			58,971		58,971						58,971
Purchase of treasury stock				-335	-335						-335
Disposal of treasury stock		35		139	174						174
Increase due to the merger of consolidated subsidiaries			105		105						105
Increase due to an increase in affiliates under the Equity Methods			90		90						90
Decrease due to the increase in affiliates under the Equity Methods			-380		-380						-380
Net changes during this nine months other than Shareholders' Equity						-17,131	568	-81	-16,643	6,109	-10,534
Total changes	-	35	30,380	-196	30,220	-17,131	568	-81	-16,643	6,109	19,686
Balances at December 31, 2007	237,304	31,129	786,786	-2,040	1,053,179	37,860	4,433	-264	42,029	17,076	1,112,286

Consolidated Statements of Cash Flow
(From April 1, 2007 to December 31, 2007)

(Unit: million yen)

Accounts	FY2007 3Q	FY2006 3Q	(Reference) FY2006
Operating Activities			
Income before income taxes and minority interests	96,184	132,986	112,887
Depreciation and amortization	171,861	162,103	219,131
Loss on impairment of fixed assets	-	-	5,602
Amortization of nuclear fuel	17,528	16,729	21,127
Loss on disposal of property, plant and equipment	4,510	4,733	9,450
Increase(decrease) in liability for retirement benefits	-20,157	-18,892	-27,107
Provision for reserve for reprocessing of irradiated nuclear fuel	-14,418	-1,884	11,448
Provision for preparation for reprocessing of irradiated nuclear fuel	3,087	-	6,976
Provision for reserve for decommissioning of nuclear power plants	5,140	4,995	6,545
Provision of (reversal of) drought reserve	-90	872	90
Interest revenue and dividends received	-3,190	-2,871	-3,563
Interest expense	26,908	27,993	38,354
Equity in net earnings under the equity method	-901	189	-842
Gain on sale of property and equipment	-	-720	-998
Gain on sale of marketable securities	-1,834	-	-
Increase in fund for reprocessing of irradiated nuclear fuel	-9,185	13,814	-9,947
Increase in accounts receivable	-88	-4,195	-8,167
Decrease in inventories, principally fuel, at average cost	-19,475	-11,501	-1,171
Increase in accounts payable	-1,752	-11,461	613
Other	3,924	-15,391	9,260
Sub Total	258,049	297,501	389,690
Receipt of interest and cash dividends	3,436	2,831	3,656
Interest paid	-31,753	-31,829	-38,440
Business restructuring of affiliates	-	-2,919	-3,101
Income tax paid	-30,292	-46,989	-47,290
Net cash provided by operating activities	199,440	218,594	304,514
Cash Flows from Investing Activities			
Purchases of property, plant and equipment	-181,197	-151,053	-202,913
Payment for investments and other	-6,557	-7,691	-8,685
Proceeds for recoveries from investments and other	7,223	1,004	1,369
Proceeds from stock acquisition of newly consolidated subsidiary	3,211	-	-
Other	4,656	5,037	7,417
Net cash used in investing activities	-172,662	-152,703	-202,811
Cash Flows from Financing Activities			
Proceeds from issuance of bonds	119,526	78,611	108,489
Redemption of bonds	-127,710	-45,000	-74,513
Proceeds from long-term loans	49,467	41,330	65,990
Repayment of long-term loans	-57,712	-106,789	-131,930
Net increase (decrease) in short-term borrowings	2,890	-20,244	-48,721
Net changes in commercial paper	21,000	14,000	7,000
Cash dividends paid	-28,415	-28,428	-28,412
Other	-630	-485	-692
Net cash used in financing activities	-21,583	-67,006	-102,790
Effect of exchange rate changes on cash and cash equivalents	-	-45	-41
Changes in cash and cash equivalents	5,193	-1,161	-1,128
Cash and cash equivalents at beginning of the year	50,671	51,675	51,675
Increase in cash and cash equivalent due to newly consolidated companies	536	124	124
Increase in cash and cash equivalent due to the merger of consolidated subsidiaries	69	-	-
Cash and cash equivalents at end the of the year	56,472	50,638	50,671

Non-consolidated Balance Sheets

(As of December 31, 2007)

(Unit: million yen)

Assets				Liabilities and Shareholders' Equity			
Account	December 31, 2007	March 31, 2007	Change	Account	December 31, 2007	March 31, 2007	Change
Property, Plant and Equipment	3,549,459	3,600,395	-50,935	Long-term Liabilities	2,296,646	2,264,072	32,574
Utility property, plant and equipment	2,635,220	2,566,220	68,999	Bonds	1,067,556	1,027,599	39,956
Hydro power production facilities	331,643	184,934	146,709	Long-term loans	577,518	567,829	9,689
Thermal power production facilities	304,180	327,318	-23,137	Long-term accrued liabilities	13,007	3,244	9,763
Nuclear power production facilities	243,525	259,407	-15,882	Long-term liabilities to affiliates	91	30	61
Internal combustion power production facilities	24,362	26,043	-1,680	Liability for employees' retirement benefits	142,125	161,531	-19,405
Transmission facilities	702,379	720,818	-18,439	Reserve for reprocessing of irradiated nuclear fuel	350,418	364,837	-14,418
Transformation facilities	265,570	275,634	-10,064	Reserve for preparation of reprocessing of irradiated nuclear fuel	10,064	6,976	3,087
Distribution facilities	628,069	629,785	-1,715	Reserve for decommissioning of nuclear power plant	131,313	126,172	5,140
General facilities	125,302	131,564	-6,262	Other long-term liabilities	4,549	5,849	-1,299
Suspended facilities	4,404	4,932	-527	Current Liabilities	433,258	507,145	-73,887
Facilities on loan	5,782	5,782	-	Current portion of long-term debt	123,373	183,070	-59,696
Incidental businesses property and equipment	45,259	42,635	2,624	Short-term borrowings	130,500	131,000	-500
Nonoperating property and equipment	8,150	8,187	-37	Commercial paper	28,000	7,000	21,000
Plant and equipment suspense account	193,026	309,278	-116,252	Accounts payable-trade	37,031	33,231	3,799
Construction in progress	190,683	307,707	-117,024	Accounts payable	13,489	18,758	-5,268
Retirement in progress	2,342	1,570	771	Accrued expenses	44,351	60,390	-16,038
Nuclear Fuel	250,408	240,662	9,745	Accrued income tax	20,719	30,752	-10,032
Loaded nuclear fuel	35,573	43,837	-8,264	Deposit	5,028	1,761	3,266
Nuclear fuel in processing	214,835	196,825	18,010	Short-term liabilities to subsidiaries and affiliated companies	19,222	32,817	-13,595
Investments and other assets	417,395	433,410	-16,015	Other advances	6,697	6,376	321
Long-term investments	127,196	152,567	-25,370	Other current liabilities	4,843	1,986	2,857
Investments in subsidiaries and affiliated companies	115,963	115,895	67	Reserve	-	90	-90
Fund for reprocessing of irradiated nuclear fuel	79,268	70,082	9,185	Drought reserve	-	90	-90
Long-term prepaid expenses	7,277	6,864	413	Total Liabilities	2,729,904	2,771,308	-41,404
Deferred tax assets	88,312	88,616	-303	Shareholders' Equity	986,731	961,312	25,419
Allowance for doubtful accounts	-623	-615	-8	Common stock	237,304	237,304	-
Current Assets	208,765	189,717	19,047	Capital surplus	31,123	31,087	35
Cash and cash equivalents	39,588	33,972	5,616	Additional paid-in capital	31,087	31,087	-
Accounts receivable	91,396	88,618	2,778	Other capital surplus	35	-	35
Receivables	6,399	10,042	-3,643	Retained earnings	720,072	694,490	25,582
Inventories	41,957	31,620	10,336	Legal reserve	59,326	59,326	-
Advances	-	1	-1	Retained earnings - carryforward	660,746	635,164	25,582
Prepaid expenses	6,127	967	5,160	Cost behavior adjustment reserves	100,300	100,300	-
Receivables from subsidiaries and affiliated companies	1,941	1,691	250	Contingent reserves	449,000	419,000	30,000
Deferred tax assets	9,803	12,922	-3,118	Deferred retained earnings	111,446	115,864	-4,417
Other current assets	12,522	10,893	1,659	Treasury stock	-1,769	-1,571	-198
Allowance for doubtful accounts	-1,002	-1,012	10	Valuation and translation adjustments	41,588	57,491	-15,902
				Unrealized gain on other securities	37,054	53,547	-16,493
				Deferred gain on derivatives under hedge accounting	4,534	3,944	590
				Total Shareholders' Equity	1,028,320	1,018,803	9,516
Total	3,758,224	3,790,112	-31,887	Total	3,758,224	3,790,112	-31,887

Non-consolidated Statements of Income

(From April 1, 2007 to December 31, 2007)

(Unit: million yen)

Expenses					Revenues				
Accounts	FY2007 3Q	FY2006 3Q	Change	(Reference) FY2006	Accounts	FY2007 3Q	FY2006 3Q	Change	(Reference) FY2006
Operating Expenses	914,063	838,039	76,023	1,189,237	Operating Revenues	1,025,496	990,867	34,629	1,333,037
Electricity	896,679	821,752	74,926	1,165,874	Electricity	1,008,451	975,120	33,330	1,310,169
Hydro power	28,478	23,221	5,257	33,667	Lighting	409,930	399,648	10,281	551,047
Thermal power	246,526	198,767	47,758	287,900	Power	577,730	557,090	20,639	735,425
Nuclear power	150,503	133,183	17,320	205,373	Sales to other electric companies	5,536	2,508	3,028	2,813
Internal combustion power	19,444	18,203	1,240	24,097	Sales to other companies	3,866	4,712	-845	5,334
Purchase from other electric companies	103	96	6	125	Revenues from wheeling service charges	1,167	1,162	5	1,485
Purchase from other companies	90,927	83,770	7,156	112,477	Gain from adjustment among electric companies	2,659	2,092	567	2,992
Transmission	59,102	55,994	3,108	78,391	Miscellaneous revenues from electricity	7,214	7,505	-291	10,538
Transformation	33,415	33,403	11	45,829	Revenues from loaned equipment	344	399	-54	532
Distribution	110,141	108,947	1,194	145,930					
Sales	43,015	43,234	-218	60,313					
Suspended facilities	1,209	712	496	1,010					
Facilities on loan	33	34	-	46					
General	76,979	84,957	-7,977	120,870					
Promotion of power resources development tax	24,696	25,489	-792	34,086					
Enterprise tax	12,187	11,848	338	15,889					
Electricity account transfer (Credit)	-86	-112	25	-137					
Incidental Businesses Operating Expenses	17,384	16,287	1,096	23,363	Incidental Business Operating Revenues	17,045	15,746	1,298	22,867
Air-conditioning	2,441	2,039	402	2,791	Air-conditioning	2,436	2,149	287	2,866
Fiber-optic cable leasing service	6,900	5,754	1,146	8,126	Fiber-optic cable leasing service	5,693	4,437	1,255	6,184
Gas supply	7,715	8,183	-468	12,011	Gas supply	8,208	8,655	-447	13,083
Other	326	309	17	433	Other	707	503	203	732
Operating income	(111,433)	(152,827)	(-41,394)	(143,799)					
Other Expenses	30,902	31,689	-787	44,550	Other Revenues	6,826	4,813	2,012	6,529
Financial expenses	25,387	26,493	-1,106	36,297	Financial revenues	3,134	2,503	630	2,974
Interest expenses	25,003	26,099	-1,096	35,799	Proceed from dividends	1,973	1,842	131	1,996
Stock issuance costs	2	-	2	-	Proceed from interests	1,160	661	499	977
Bond issuance costs	380	393	-12	497					
Non-operating expenses	5,514	5,196	318	8,253	Non-operating revenues	3,691	2,309	1,381	3,554
Loss on sales of tangible fixed assets	164	62	101	103	Gain on sale of property and equipment	412	634	-222	863
Other losses	5,350	5,133	216	8,149	Gain on foreign exchange	284	-	284	-
					Gain on marketable securities	1,834	-	1,834	-
					Other	1,160	1,675	-514	2,691
Total Ordinary Expenses	944,965	869,729	75,236	1,233,788	Total Ordinary Revenues	1,032,323	995,680	36,642	1,339,566
Ordinary Income	87,357	125,951	-38,594	105,778					
Provision for drought reserve	-90	872	-963	90					
Provision for drought reserve	-	872	-872	90					
Reversal of drought reserve	-90	-	-90	-					
Extraordinary Losses	-	-	-	5,602					
Impairment loss	-	-	-	5,602					
Income before income taxes	87,448	125,078	-37,630	100,084					
Current income Taxes	21,050	35,900	-14,849	34,101					
Deferred income tax	12,406	11,361	1,044	6,746					
Net income	53,991	77,816	-23,825	59,236					

Non-Consolidated Statements of Changes in Shareholders' Equity
(From April 1, 2007 to December 31, 2007)

(Unit: million yen)

	Shareholders' Equity										Valuation and Translation Adjustments			Shareholders' Equity Total	
	Common stock	Capital surplus			Legal reserve	Retained earnings				Treasury stock	Total	Unrealized gain on other securities	Gain on deferred hedge accounting		Total
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other			Retained earnings total						
						Cost behavior adjustment reserves	Contingent reserves	Carry forward							
Balances at March 31, 2007	237,304	31,087	-	31,087	59,326	100,300	419,000	115,864	694,490	-1,571	961,312	53,547	3,944	57,491	1,018,803
Changes during this nine months															
Reserve for contingency							30,000	-30,000	-		-				-
Dividends declared								-28,408	-28,408		-28,408				-28,408
Net Income								53,991	53,991		53,991				53,991
Purchase of treasury stock										-337	-337				-337
Disposal of treasury stock			35	35						139	174				174
Net changes during this nine months other than Shareholders' Equity												-16,493	590	-15,902	-15,902
Total Changes	-	-	35	35	-	-	30,000	-4,417	25,582	-198	25,419	-16,493	590	-15,902	9,516
Balances at December 31, 2007	237,304	31,087	35	31,123	59,326	100,300	449,000	111,446	720,072	-1,769	986,731	37,054	4,534	41,588	1,028,320