

Developing Human Resources and Creating a Dynamic Workplace

The J-POWER Group strives to ensure safe, comfortable working environments while endeavoring to create a corporate culture that respects the character and individuality of employees and inspires them to constantly meet new challenges with a high level of motivation.

J-POWER Group's Basic Philosophy on Human Resources

HUMAN RESOURCES are the key to a company's sustainability. For the sustainable growth of business, all employees are required to cultivate their skills and abilities in order to create new ideas and added value. Under our new medium-term management plan that started in fiscal 2008, we have placed the highest priority on securing and developing human resources in order to strengthen the foundation of the company for the purpose of ensuring sustainable growth. We intend to reinforce policies for labor and personnel overall, including career development programs (CDP), establish work environments and systems that harness diversity in values and in the workforce, which includes experienced employees and women, and improve both individual skills and workforce productivity by promoting work-life balance.

Developing Group Human Resources and Creating Dynamic Workplaces

Securing Human Resources

- Create a foundation of human resources through stable hiring to support the sustainable development of the Group
- Promote human resources diversity to cope with changes in labor markets and business needs

Human Resources Are Key to Corporate Sustainability

Developing Human Resources

- Improve the abilities of all group employees (introduce and coordinate group CDP)
- Strengthen rotations and on/off-the-job training to pass down technical skills and meet domestic/global business expansion needs.

Invigorating Human Resources

- Establish work environments that motivate every employee to take on challenges
- Promote initiatives to improve individual abilities and workforce productivity (manage time by promoting work-life balance)
- Establish work environments and systems that allow diverse personnel to flourish, including experienced employees and women

THEME

Employment

In order to grow continuously while "harmonizing energy supply with the environment, the J-POWER Group aims at stably recruiting new employees from various fields and age groups and creating opportunities that enable them to thrive.

Utilizing Diverse Human Resources

J-POWER strives to hire a diverse array of people for its workforce. We hire mid-career professionals and specialists in addition to new graduates. We are currently creating work environments and systems that enable our diverse personnel to fully demonstrate their capabilities, without regard for gender, age or other such distinctions.

■ Employment of New Graduate (J-POWER)

	FY 2006	FY 2007	FY 2008 (as of April)
Men	23	36	40
Women	2	5	8
Total	25	41	48

○ Harnessing the Abilities of Experienced Employees

The J-POWER Group introduced a continuing employment system in April 2006 in order to make further use of the abilities of experienced employees. The system allows employees who have reached retirement age to continue working until they turn 63. We also have a personnel registration system that provides job opportunities in the Group for employees between the ages of 60 and 65. We aim to make further use of the experience, technical skills, and will to work of older Group employees in our ongoing business development.

■ Use of Continuing Employment System

Employees applying for continuing employment system (as of March 31, 2008)

148

○ Employing People with Disabilities

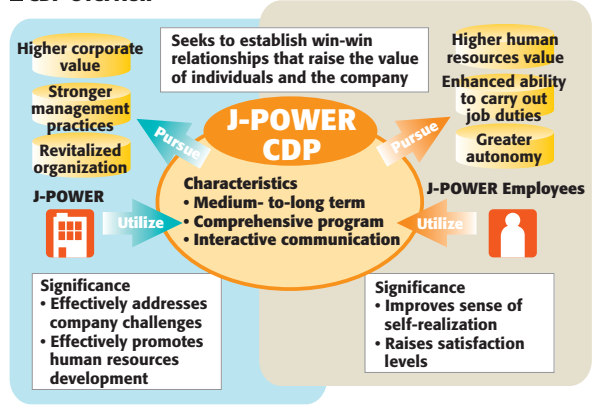
Our employment ratio for people with disabilities as of June 1, 2008 was 1.98%, which exceeds the legal minimum. We have a consultation desk that helps employees with disabilities and provides information on work environments. We will continue to work to enhance work environments, through such initiatives as making office buildings barrier-free, and promote greater understanding among all employees.

THEME

Human Resources Development

The J-POWER Group has introduced a career development program based on the vision for our business. The program, which consists of long-term plans for developing the careers and abilities of individual employees, conveys to employees what is expected of them and serves as an effective system for education and training. The program provides management with specific guidelines for fostering personnel. It provides employees with an interactive development tool that helps them think about their own career trajectories and take the initiative in developing their abilities and raising their value to the company. We encourage employees to make active use of the program.

■ CDP Overview



Human Resources Development Programs

J-POWER believes in the importance of using work itself, particularly on-the-job training, to enable employees to improve their job performance and facilitate their growth. At the same time, as the scope of our business activities has expanded, we have established programs to systematically train personnel through a well-designed plan so that their abilities are fully utilized.

○ Various Training Programs

We run level-specific training courses designed to provide employees with business knowledge and management skills that match their qualifications and age. Career training is also provided for employees to review their careers to date and consider their next steps. We also conduct divisional training, objective-specific training, and other off-the-job training courses to enhance employee knowledge, skills, and specialization in order to meet divisional requirements and ensure we are capable of quickly accommodating changes in business conditions.

We have established technical training facilities in

Chigasaki, Kanagawa Prefecture for civil and architectural engineering divisions; Kawagoe, Saitama Prefecture for hydropower, transmission, and telecommunications divisions; and Kitakyushu, Fukuoka Prefecture for thermal power divisions. We systematically conduct training for engineers in technical divisions at these facilities. Level-specific training is held at the Human Resources Development Center in Tokyo's Chuo Ward. These initiatives are aimed at fostering personnel in line with our career development programs.

○ Helping Employees Voluntarily Develop Their Careers and Abilities

J-POWER introduced a self-assessment system for employees to convey their career intentions to the company once a year and discuss them with their immediate superiors. The system was introduced to facilitate career-related discussions between employees and management. We also have a voluntary training incentive program and an academic training program that provide financial assistance to employees who attend foreign language classes or business school or take a correspondence course after work or on weekends. These programs are aimed at helping employees develop their abilities on their own initiative.

■ Participating in Level-Specific Training and Career Training

	FY 2005	FY 2006	FY 2007
New assistant managers	78	69	65
New managers	97	83	120
Career plan training	87	57	55
CLDS*	125	79	91
Total	387	288	331

* Career & Life Design Seminar

■ Participation in the Voluntary Training Incentive Program

	FY 2005	FY 2006	FY 2007
School attendance	88	47	74
Correspondence	139	116	101

Improvement Suggestion Program: Further Vitalizing and Rationalizing Operations

THE IMPROVEMENT suggestion program has an extremely long history at J-POWER. It has been in place since 1965 for the purpose of helping to vitalize and rationalize operations. Ideas are sought from employees on how to raise efficiency or improve business practices and then utilized to those ends. This program began to be used throughout the J-POWER Group in 2004, and every year it produces suggestions that help make our operations more rational and efficient.

As in previous years, suggestions came from every

region of the country in fiscal 2007, many involving ideas to improve power generation utilization or reduce costs.

Suggestions received from employees are reviewed, and particularly strong ideas are singled out for a grand prize or excellence award. Award certificates are handed out to the winners by J-POWER president Yoshihiko Nakagaki.

We intend to continue using this program to further vitalize and rationalize operations.



Awards ceremony for the grand prize and excellence award

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Occupational Safety and Health

The J-POWER Group is committed to creating safe, healthy, and invigorating workplaces as the foundation of our business activities. Through the establishment and operation of occupational safety and health management systems within the Group, each group company fulfills its roles and responsibilities, and overall safety management is promoted. This serves to prevent workplace accidents and maintain or improve employee health.

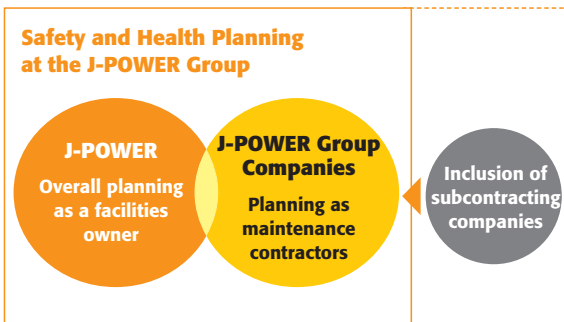
Planning Based on Mutual Cooperation

At the J-POWER Group, common issues pertaining to the Group as a whole and how to address them are compiled into a J-POWER Group plan for occupational safety and health following discussions with group companies on these issues. Based on this overall plan, group companies formulate their own plans for occupational safety and health while taking into account their positions and responsibilities.

In drawing up the Group plan, J-POWER checks to ensure that overall safety management is being conducted appropriately from the perspective of a facilities owner and outsourcer. At the same time, J-POWER's group companies formulate their plans based on their perspective as organizations with direct responsibility for maintenance work.

Moreover, because joint activities and cooperation with subcontracting companies on the frontlines are essential to preventing workplace accidents, we engage in safety activities together with all related companies at each business site. These safety activities include safety promotion meetings, on-site safety patrols, safety training, and traffic safety classes.

Occupational Safety and Health Planning Through Mutual Collaboration



J-POWER Group Safety and Health Initiatives

The J-POWER Group has established the following priorities as common themes in safety and health activities.

1. Safety Priorities
 - 1) Raise safety awareness and enhance communication to that end
 - 2) Prevent (recurring) workplace accidents involving contractors
 - 3) Prevent on-the-job traffic accidents
2. Health Issues
 - 1) Promote mental and physical health

Incidence of Workplace Accidents

	Deaths	Serious Injury	Minor Injury
FY 2005	0	10	8
FY 2006	0	2	10
FY 2007	2	5	8

Accident Frequency and Severity

	Frequency	Severity
FY 2005	0.76	0.05
FY 2006	0.48	0.01
FY 2007	0.58	0.82

Notes: 1. The frequency rate is the number of deaths and injuries caused by industrial accidents that lead to at least one day of missed work per one million hours worked.
2. The severity rate is the number of days of work missed due to an industrial accident per 1,000 hours worked.

Unfortunately two accidents occurred that resulted in death, and both accidents were those that tend to recur. We intend to work to prevent their recurrence through enhancing basic safety operations and communication.

Maintaining the Health of Employees and Their Families

The J-POWER Group has initiatives designed to help employees and their families maintain or improve their health. We encourage employees and their families to undergo health checkups and provide guidance in the area of health maintenance. We also place emphasis on measures to prevent mental health disorders and metabolic syndrome, which have become widespread social phenomena. We intend to further strengthen initiatives to enhance mental health care, prevent lifestyle diseases, and raise awareness of them through training and counseling.

Participation in Health Exams

	Ratio of employees receiving regular spring health exams
FY 2006	99%
FY 2007	99%

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J-POWER Group Communication Day in Tokyo Dome (THP Communication Event)

A TOTAL Health Promotion Plan (THP) Communication Event was held for employees and their families in the vicinity of the head office in Tokyo in July 2007. A similar event was also held in fiscal 2006. The event was designed to foster a greater sense of unity within the J-POWER Group and further promote the health of employees and their families. Employees and

their families competed in sporting events and games, participated in a variety of family events, and raised money for charity* in a way that brought social contribution closer to home. These activities helped create a greater sense of solidarity within the Group and deepened relations with employee family members.

* Donations were collected through the Japanese Red Cross Society and other organizations.



THEME

Establishing Workplace Environments for Better Work-Life Balance

The J-POWER Group believes that a better work-life balance can help ensure sound labor force reproduction and lead to improved efficiency. We are committed to helping employees generate new ideas and added value by creating workplaces that enrich both work and private life and enable diverse employees to fully demonstrate their abilities.

Findings of Fiscal 2007 Employee Attitude Survey

An Employee Attitude Survey was administered in fiscal 2007 under the Work-Life Balance Promotion Committee, which was established in fiscal 2006. The survey found that most employees are satisfied with the company and their jobs. At the same time, the survey also found that employees felt job complexity and coordination were adding to their workload, awareness was high regarding the problem of work efficiency, and there were major differences between genders and among age groups on awareness of the company's labor policies.

Based on the findings of the survey, we will put priority on promoting the following two approaches to ensuring work-life balance:

- Create work environments that allow motivated, able employees to flourish even when there are restrictions on working hours
- Create time by strengthening management of working hours

Specific Measures

First of all, as an initiative designed to "create time," we will set new targets for ensuring appropriate working hours and include them within organizational goals for all units. In addition, we will institute a new time management training course for managers. We will also strengthen head office measures to ensure that employees leave the office at the official end of the working day. The measures will include turning out the lights, stopping elevators, and patrolling the office.

In addition, we will strengthen measures to ensure compliance with labor laws and other rules and promote health management.

Furthermore, we will work to make our labor systems highly visible in order to ensure that both managers and employees have an equivalent understanding of them. These efforts are intended to improve work-life balance and develop work environments that support this goal.

System Utilization

	Child-care leave	Shortened working hours for child care
FY 2005	15	8
FY 2006	13	8
FY 2007	20	10

Labor Relations

To ensure smooth business administration with the J-POWER Group Worker's Union (JPGU), the company strives to maintain stable working conditions by appropriately holding meetings with the union, deliberating on working conditions, and concluding labor contracts that have the assent of the union.

In addition, we strive to maintain a cooperative relationship with labor through daily communication. For example, when we promote initiatives such as work-life balance, which require the coordinated efforts of labor and management, we ask the union to request employee participation in the Employee Attitude Survey.

Allowing Diverse Employees to Flourish (Future Initiatives)

J-POWER is working to create a workplace where people's character and their rights are respected and diverse employees can fully demonstrate their abilities and flourish. As one of the measures to ensure this, we have established an internal consultation desk for issues related to working hours and work environments and such problems as sexual and moral harassment. The consultation desk has been established in order to resolve problems and prevent them before they can occur.

Looking ahead, we plan to continue to focus on work-life balance activities and assistance in order to ensure that employees continue to feel that their jobs are worthwhile. We will also carry out initiatives that make human resources diversity a positive contributor to corporate activities being developed on a global basis.

Utilizing the Child-Care Leave Program

I RETURNED TO WORK in April 2008 after taking a year and a half's worth of child-care leave. Before going on leave, it was an extremely busy time for my department, and I'm very appreciative of the generous support I received from my supervisors and colleagues. While I was on leave, I kept abreast of the company's activities at home through the company's

intranet, which significantly relieved the anxiety I felt about being away.

After returning to work, I've maintained a good balance between work and family and have experienced many fulfilling days in both arenas. Looking ahead, I hope to help propose and create systems that overcome job transfer problems and other hurdles.



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