


External Evaluation and Outside Opinions

The Accuracy of This Report

To ensure the accuracy and comprehensiveness of important environmental and societal data as well as performance indicators (hereinafter “sustainability information”) contained in the J-POWER Group Sustainability Report 2015, the sustainability information herein has been independently reviewed and certified by Ernst & Young Sustainability Co., Ltd. in accord with the sustainability report review and registration system of the Japanese Association of Assurance Organizations for Sustainability Information (J-SUS). As a result of this review, an “Independent Assurance Report” has been received. Guaranteed data calculated according to calculation standards* is indicated by a star (★). The J-SUS mark on the back cover indicates that the sustainability information contained in this report fulfills the reliability criteria established by the Association for its sustainability report review and registration system.



* List of calculation standards
http://www.jpowers.co.jp/english/company_info/environment/index.html



Translation

The following is an English translation of an independent assurance report prepared in Japanese and is for information and reference purposes only. In the event of a discrepancy between the Japanese and English versions, the Japanese version will prevail.

Independent Assurance Report

Mr. Masayoshi Kitamura
 President
 Electric Power Development Co., Ltd.

August 3, 2015

Kenji Sawami
 Representative Director
 Ernst & Young Sustainability Co., Ltd.
 Tokyo

We, Ernst & Young Sustainability Co., Ltd., have been commissioned by Electric Power Development Co., Ltd. (hereafter the “Company”) to provide limited assurance on the Key Sustainability Performance Indicators (hereafter the “Indicators”) of the Company and its major subsidiaries for the year ended March 31, 2015 included in the Company’s Sustainability Report 2015 (hereafter the “Report”). The scope of our work was limited to assurance over the information marked with the symbol “*” in the Report.

1. **The Company’s Responsibilities**
 The Company is responsible for preparing the Indicators in accordance with the Company’s own criteria determined in consideration of Japanese Environmental Laws. The criteria represent the Company Information, Environmental Activities, Calculation Standards (http://www.jpowers.co.jp/english/company_info/environment/2015index.html) of the Report. Greenhouse gas (GHG) emissions are estimated by using emission factors, which are uncertain because the scientific ground of the factors are not established and different instruments for measuring GHG emissions have different characteristics in terms of functions and presumed parameters.
2. **Our Independence and Quality Control**
 We have complied with the independence requirement defined in the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants in March 2013, which is based on the fundamental principles of integrity, objectiveness, professional competence and due care, confidentiality, and professional behavior. In addition, as a member of Ernst & Young ShinNihon LLC, our parent company, we maintain a comprehensive quality control system, including documented policies and procedures for compliance with ethical rules, professional standards, and applicable laws and regulations in accordance with the International Standard on Quality Control 1 issued by the International Auditing and Assurance Standards Board in April 2009.
3. **Our responsibilities**
 Our responsibility is to express a limited assurance conclusion on the Indicators included in the Report based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board in December 2003, Practical Guidelines for the Assurance of Sustainability Information, revised in December 2014 by the Japanese Association of Assurance Organizations for Sustainability Information and, in respect of GHG emissions, the International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board in June 2012. The procedures, which we have performed according to professional judgment, include inquiries, observing processes, inspecting documents, analytical procedures, agreeing with records of basic information on the Indicators, as well as the following:
 - Inquiries about the Company’s own criteria determined in consideration of Japanese Environmental Laws and evaluating their appropriateness;
 - Inspecting relevant documents with regard to the design of the Company’s internal controls of the Indicators and inquiring of personal responsible thereof at the headquarters and sites visited (2 sites);
 - Performing analytical procedures on the Indicators at the headquarters and sites visited (2 sites); and
 - Agreeing to supporting documents and re-calculating with part of the Indicators at the headquarters and sites (2 sites) visited on a test basis.
 The procedures performed in a limited assurance engagement are more limited in nature, timing or extent than a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is not as that obtained if we had performed a reasonable assurance engagement.
4. **Conclusion**
 Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that caused us to believe that the Indicators included in the Report have not been measured and reported in accordance with the Company’s own criteria determined in consideration of Japanese Environmental Laws.

Independent third-party certification of J-POWER Group Sustainability Report 2015



Review being conducted (Kiwa Power Substation, Wakayama Prefecture)



Review being conducted (Ishitaka Coal-fired Power Station, Okinawa Prefecture)



Review being conducted (J-POWER Headquarters)

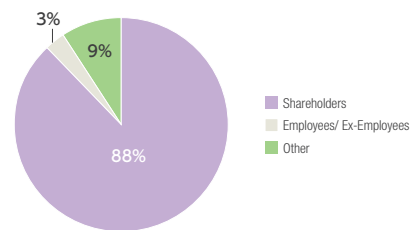
External Evaluation and Outside Opinions

The J-POWER Group strives to incorporate third-party evaluations and recommendations, as heard in Sustainability Report questionnaires, reviews, and so on, into our activities. By means of these evaluations and opinions, we determine the kind of business development and environmental activities that others expect of the J-POWER Group and work to improve our business activities. We also enhance our transparency and reliability by making such comments public.

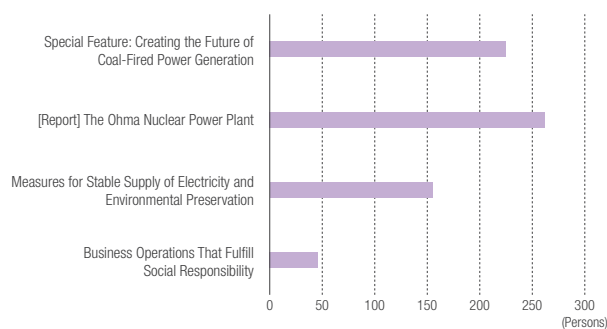
Readers' Opinions

We received many comments from readers in response to the J-POWER Group Sustainability Report 2014 (published July 2014) (575 respondents). We consider these valuable comments to be important guidelines for compiling subsequent reports and for the future initiatives of the J-POWER Group, and intend to put their lessons to use in our corporate activities.

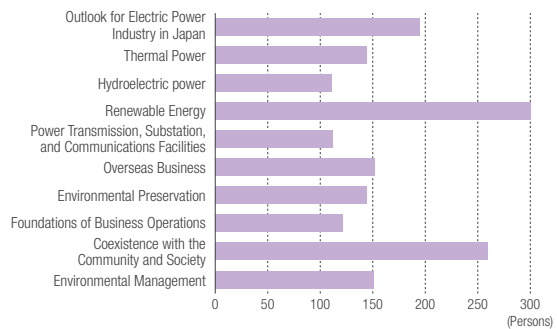
Breakdown of survey respondents



Articles in the 2014 report that created the strongest impression or were the most useful



Articles whose content should be expanded (multiple responses possible)



Expectations for the J-POWER Group

Typical Comments	Typical Comments
I would like J-POWER, an operator of coal-fired power stations, to explain in an easy-to-understand manner the status of its initiatives to reduce carbon including technology development.	This report presents information on a variety of measures to reduce carbon including features on the J-POWER Group's new plans and technology development relating to coal-fired power generation. Please refer to the special feature entitled "Creating the Future of Coal-Fired Power Generation" on pp. 7-12 of this report.
Information relating to the Ohma Nuclear Power Plant is not adequate. It would be desirable for the company to fulfill its responsibilities to stakeholders to provide more detailed explanations regarding safety and risks.	With regard to the Ohma Nuclear Power Plant, we have steadily implemented safety measures based on the new regulatory standards of the Nuclear Regulatory Authority in an effort to create a power station that is trusted by local residents. Information is disclosed in this report and on our website, so please refer to the website as well. Please refer to the information on "the Ohma Nuclear Power Plant" on pp. 13-16 of this report.
J-POWER is undertaking various earnest initiatives with an attitude of listening to the opinions of multiple outside experts as well as the opinions of third parties.	The J-POWER Group has long sought the opinions of experts in various fields regarding our business activities. We will continue to create opportunities to obtain opinions from outside experts. Please refer to the "Third-Party Opinion" on pp. 57-58 of this report.
I would like the specialized jargon to be deleted from the report so it is easier for general readers to understand. The "Voice" comments that provide perspectives from the front lines of work sites are particularly interesting.	This report contains numerous graphs and diagrams to make it easy to understand by general readers. We have also included many "Voice" comments from personnel at work sites. We will continue to make efforts to prepare reports from the perspective of their readers.

Third-Party Opinion

To help us meet society's expectations regarding our corporate social responsibility (CSR) and play our part in the sustainable development of Japan and the world, in June 2015, the J-POWER Group asked outside experts who specialize in energy, the environment, and CSR to give their opinions concerning the Group's business efforts and the disclosure of information through this sustainability report from the perspective of achieving harmony between energy and the environment.



Chuo University
Faculty of Science and Engineering, Department of
Integrated Science and Engineering for Sustainable
Society
Laboratory of conservation ecology, professor and
doctor of science

Izumi Washitani

Concern regarding global warming is rising, and there are various opinions regarding coal-fired thermal power, but coal has long constituted a major portion of electric power supply, so it will be necessary to continue efforts to reduce carbon.

One such means is mixed biomass combustion, but long-term stable supply of large volumes of fuel will be needed, and therefore, in addition to using current materials, it will be necessary to build new systems to supply biomass fuel near demand regions without substantial burden or cost. If it were possible to repeatedly harvest perennial grasses growing in marshes near thermal power stations and convert it to fuel, this would be a significant

undertaking from the perspectives of producing fuel where the demand is without the need for long-distance transport and preservation and restoration of biodiversity in marshes. In addition, there are various kinds of biomass fuel, and it is necessary to broadly investigate fuels other than those currently under consideration. Diversifying fuels will also require setting targets such as developing technology for devices that are compatible with various fuels.

It is necessary that we continually undertake technological measures to improve the thermal efficiency of power stations, but if we look at things from a slightly different perspective, perhaps we should also focus on the effective utilization of heat generated by power stations. For example, waste heat from power stations could be used at spa facilities used by local senior citizens. If not just businesses, but also local residents are able to enjoy benefits from power stations, it will be possible to go beyond social contribution and local production of energy for local consumption to position coal-fired power stations as one part of a system that produces compound benefits. I believe that this would have value also as a measure for achieving harmony between energy and the environment.



Director and Certified Public
Accountant PricewaterhouseCoopers
Sustainability Co., Ltd.

Ryoji Terada

In Europe, the importance of non-financial matters is increasing, such as the imposition of a duty to disclose CSR information imposed on companies over a certain size, and the Fifth Assessment Report released last year by the IPCC* makes it clear that we are facing a crisis that threatens the very existence of humankind as a result of climate change. It goes without saying that this issue is a major topic in the J-POWER Sustainability Report, along with the Ohma Nuclear Power Plant.

J-POWER's coal-fired generating efficiency and clean coal technologies, which are at the world's highest levels, are worthy of considerable praise, and CCS will be essential for the continued combustion of coal in order to achieve the 40 to 70% reduction in carbon dioxide emissions by 2050 necessary for attaining the IPCC's 2°C scenario. J-POWER has already disclosed information relating to its CCS research, and in the future, interest will likely shift to more specific details such as issues arising in conjunction

with implementation and implementation plans.

With regard to renewable energy, the report presents information on wind and geothermal energy, but renewable energy accounts for only a small percentage of all generating capacity, and it would be desirable to set more specific installation targets and disclose information on progress.

The Ohma Nuclear Power Plant is a center of attention, and information on the status of compliance with new regulatory standards and safety measures are explained clearly using diagrams and tables. Even so, concerns in society regarding the world's first full MOX generation, the existence of an active fault, and contradictions among systems regarding evacuation regions remain high, and responding sincerely to these concerns is one of the important roles of a sustainability report.

No substantial improvement was seen, however, in the disclosure of financial information relating to important topics, an issue that has been present for some time. This is an excellent report with exhaustive coverage, and it may be difficult to raise the level even higher as a part of voluntary measures, but I look forward to active measures and information disclosures for future generations. In particular, I would like to see J-POWER strive to undertake initiatives addressing climate change on a global level as an electric power business, a key party.

* Intergovernmental Panel on Climate Change



Associate Professor and Doctor of Engineering
Graduate Course of Technology
Management for Innovation, School of
Engineering, The University of Tokyo

Gento Mogi

The upcoming deregulation of retail electric power presents an opportunity for the use of J-POWER's extensive infrastructure. This Sustainability Report does not discuss specific circumstances following deregulation, but I believe that indicating with some specificity the type of company that J-POWER seeks to be in the future will lead to increases in the value of its facilities and bargaining power.

I also felt that with regard to renewable energy, there is little discussion of existing hydroelectric facilities. In addition to the wind, geothermal, and biomass power currently under development, if the existing hydroelectric business is developed as a part of the environmental business of supplying

clean power, this too will likely lead to an increase in value. In any case, it is necessary to convey the message that renewable energy has the potential to substantially change the future of electric power in Japan.

When considering the future of a company, diversification of human resources can lead to the development of new business. In general, 80% of a company's human resources are needed to maintain current conditions, and the remaining 20% are expected to serve as the driving force for the development of new business. I feel that the content of the current sustainability report will have only a somewhat weak impact on human resources (students) with this type of enthusiasm, and it is necessary to include content that will enable them to form a concrete image of a future vision after joining J-POWER.

I feel that J-POWER currently has many reliable employees, but there is a very high likelihood that the business and social environments will change in the future, and the company will need a diverse workforce that can adapt flexibly to changes.



Journalist, Environmental Counselor
NPO Genki Net for Creating a Sustainable Society
Director

Yuko Sakita

Almost all nuclear power stations were shut down after the earthquake, and we have somehow been able to get through this thanks to the adequate thermal power generation facilities of electric power companies.

Responses to the issues of global warming are of course needed, and I believe that we now need to undertake comprehensive measures to reduce greenhouse gas emissions such as overhauling old facilities and introducing the highest-level technologies as we make the transition to a society that emits only extremely small amounts of CO₂.

Increased introduction of renewable energy is crucial from the perspectives of raising the energy self-sufficiency range and cutting CO₂, but

I think we should introduce such energy while achieving an overall balance in the composition of power supply based on level-headed discussion. The fixed-price purchase system, which supports the introduction of renewable energy, is supported at the expense of the public, and it is necessary to introduce renewable energy in a manner that is convincing to the public.

Power companies will of course take adequate measures to enhance safety with regard to nuclear power, but I feel strongly that it is necessary for power companies to adopt a stance of engaging in dialogue with local communities regarding risk countermeasures and learning along with the public.

It is said that a hydrogen-based society is about to be created, but honestly speaking, hydrogen is still something that is far removed from members of the general public. Even if technological development advances under these conditions, it is possible that differences in social understanding and degrees of enthusiasm will impede widespread adoption, and therefore I believe it is necessary to actively disseminate information and work towards raising public awareness in order to gain understanding with regard to changes in people's lives from the introduction of hydrogen.

A Response to Opinions

I would like to thank everyone for their valuable opinions regarding the environmental management of the J-POWER Group.

As everyone indicated, ensuring the stable supply of energy while working to steadily reduce carbon is one of the top management priorities of the J-POWER Group. As discussed in this report, we will steadily take various actions in Japan and overseas with a focus on technology.

We will also disclose information through means such as this report and improve communication with all concerned parties in order to increase transparency and raise confidence with regard to the Group's business activities.

Each member of the J-POWER Group is committed to raising awareness regarding the increasing importance of environmental preservation as well as the diversifying and deepening responsibility of companies expected from society, and to directly addressing the issues that we are confronting one by one.

I request your continued guidance and support.



Chairman of J-POWER Group
Environmental Management
Promotion Board

Toshifumi Watanabe



Electric Power Development Co.,Ltd.

**Environmental Management Promotion Board Office:
Business Research Office,
Corporate Planning and Administration Department**

15-1, Ginza 6-chome, Chuo-ku, Tokyo 104-8165, JAPAN
Tel: +81-3-3546-2211 Fax: +81-3-3546-9531

E-mail: kikaku@jpower.co.jp <http://www.jpower.co.jp/english>

Reliability Assurance



Inspection/Registration Mark
Indicates that the report has
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