
FY2005 Q1 Earnings Results Presentation



Electric Power Development Co., Ltd.

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Forward Looking Statements Disclaimer



The following contains statements that constitute forward-looking statements, plans for the future, management targets, etc. relating to the Company and/or the J-POWER group. These are based on current assumptions of future events, and there exist possibilities that such assumptions are objectively incorrect and actual results may differ from those in the statements as a result of various factors.

. Summary of FY2005 Q1 Earnings Results

Key Points Regarding First Quarter FY2005 Consolidated Earnings Results

- ▶ First quarter (April-June) FY2005 consolidated results:
 - ▶ Despite a decline in sales of hydroelectric power caused by lower water flow, on a consolidated basis, the volume of electric power sold rose 8.9% from the prior year and revenue grew 6.5% due to high load factor at thermal power plants and increased sales at power generating subsidiaries.
 - ▶ Although expenses increased due to a change in the depreciation method at some thermal power facilities, this was offset by factors such as fewer periodic inspections at thermal power plants and lower personnel expenses compared to the prior year, resulting in an increase in profits for the first quarter.

Summary of First Quarter Earnings Results

(Unit: ¥100 million)

	FY2004	FY2005	Year-on-year change	
	1Q (Apr. - Jun.)	1Q (Apr. - Jun.)	increase/ decrease	increase/ decrease (%)
<u>Operating Revenues</u>	1,359	1,447	89	6.5%
<u>Operating Income</u>	278	303	25	8.9%
<u>Ordinary Income</u>	214	252	38	17.7%
<u>Net Income</u>	135	158	23	16.8%

Electric Power Business Consolidated Sales



- ▶ Hydroelectric power (parent company): The volume of electric power sold declined 25.0% year-on-year due to lower water flow (water supply rate: 87%).
- ▶ Thermal electric power (parent company): The volume of electric power sold increased 18.0% year-on-year due to strong demand at each Electric power company.
- ▶ Other electric power businesses (subsidiaries): The volume of electric power sold increased 394.3% year-on-year thanks to the contribution of generation subsidiaries such as Ichihara Power (commenced operation in October 2004) and Bay Side Energy (commenced operation in April 2005).

FY2005 First Quarter Sales

(Unit: 100million kWh, ¥100million)

	FY2004		1Q		FY2005		1Q		Year-on-year change		Reference Data
	Electric Power Sales	Revenue	Revenue								
Wholesale Electric Power Business	126	1,136	135	1,166	9	29					
Hydro(3)	33	365	25	350	8	15				Water Supply Rate(1):114% 87%	
Thermal	93	772	110	816	17	44				Load Factor(2):59% 69%	
Other Electric Power Businesses	1	12	4	38	3	26				Number of Electric Power Subsidiaries:3 9 (in operation)	
Subtotal	127	1,148	138	1,204	11	56					
Transmission	0	153	0	153	-	0					
Total	127	1,301	138	1,357	11	56					

*1 Water supply rate = Actual water supply / average water supply over the past 30 years. If the water supply rate is 100%, water supply for the said period is the same as the average water supply rate in the past.

*2 Load factor = actual electric power generation volumes / (maximum facility output x number of days in the period x 24 hours)

*3 The portion for pumped hydropower is not included in electric power sales. (It is included in revenue because pumped hydropower is a flat rate, and there is no revenue corresponding to sales volume.)

Summary of Consolidated Results by Segment



Special Characteristics of Results by Segment

▶ Electric Power Business

Most revenue is derived from the parent company's hydroelectric, thermal electric, and transmission businesses (wholesale operations).

In 1Q FY2005, high load factor at thermal power plants (parent company) and an increase in sales at power generating subsidiaries contributed to earnings.

▶ Other Businesses

These focus on peripheral businesses essential for the operation of power plants and transmission facilities, such as designing, executing, inspecting and maintaining electric power facilities and importing and transporting coal.

Intra-group transactions account for a large proportion of the Company's power plant maintenance and coal transportation activities.

In 1Q FY2005, the volume of coal handled for the parent company grew and sales outside the group by engineering subsidiaries also increased.

Revenue	(Unit: ¥100million)			
	FY2004	FY2005	Year-on-year change	
	1Q (Apr. - Jun.)	1Q (Apr. - Jun.)	increase/ decrease	increase/ decrease (%)
Electric Power Business	1,307	1,368	62	4.7%
Other Businesses	514	570	57	11.0%
Subtotal	1,820	1,939	118	6.5%
Eliminations	462	491	30	6.5%
Consolidated	1,359	1,447	89	6.5%

Operating Income	Year-on-year change			
	FY2004	FY2005	Year-on-year change	
	1Q (Apr. - Jun.)	1Q (Apr. - Jun.)	increase/ decrease	increase/ decrease (%)
Electric Power Business	236	271	35	15.0%
Other Businesses	35	27	8	-23.8%
Subtotal	271	298	27	10.0%
Eliminations	7	5	2	-31.1%
Consolidated	278	303	25	8.9%

Consolidated Income: Comparison



(Unit: ¥100million)

	FY2004	FY2005	Year-on-year change	Main factors for change	
	1Q (Apr.-Jun.)	1Q (Apr.-Jun.)	increase/ decrease		
Ordinary Revenues	Operating revenues	1,359	1,447	89	
	Electric power operating revenues	1,304	1,365	62	
	Hydro	365	350	15	Decrease in volume of electric power sold due to lower water flow
	Thermal	772	816	44	Rise in fuel prices and electric power sales, decline in electric power rates
	IPP, for PPS, Wind power	12	38	26	Increase in sales at generation subsidiaries for PPSs
	Transmission	153	153	0	
	Other	3	8	6	
	Other operating revenues	55	82	27	Increase in sales at engineering subsidiaries, etc.
	Non-operating revenues	13	18	5	
	Equity income of affiliates	3	5	2	Increase in overseas IPP business
Other	10	13	3	Increase in dividends received, etc.	
Total Ordinary Revenues	1,371	1,465	94		
Ordinary Expenses	Operating expenses	1,081	1,145	64	
	Electric power operating expenses	1,005	1,049	44	
	Personnel expenses	113	77	36	Reduction in retirement benefits expenses
	Fuel costs	203	306	103	Increase in fuel prices and volume of electric power sold
	Repair expenses	136	104	32	Decrease in periodic inspections at thermal power plants
	Outsourcing expenses	91	68	23	Decrease in software depreciation
	Depreciation	299	327	28	Increase due to change in method of depreciation at some thermal power facilities
	Other	163	167	4	
	Other operating expenses	76	95	19	
	Non-operating expenses	77	69	8	
Interest expenses	76	62	14	Decline in interest rates and loan balances	
Other	1	7	6	Amortization of bond issuance expenses, etc.	
Total Other Expenses	1,158	1,214	56		
Ordinary Income	214	252	38		

Consolidated Cash Flow



- ▶ Capital investments in Oma Nuclear Power Plant and Isogo New No. 2 Coal Fired Thermal Power Plant are expected to increase beginning in the second quarter.
- ▶ Although net cash outflow for investing activities over the full year is forecast to increase substantially from the previous fiscal year, free cash flow is expected to remain positive.

* Construction to begin on Isogo New No. 2 Coal Fired Thermal Power Plant (600MW) in August 2005.
 Construction to begin on Oma Nuclear Power Plant (1,383MW) in August 2006.

(Unit: ¥100million)

	FY2004	FY2005	Year-on-year	
	1Q (Apr.-Jun.)	1Q (Apr.-Jun.)	Change	Main Factors for Change
Operating activities (A)	325	292	33	Increase in corporation tax payments
Investing activities (B)	101	129	27	Increase in payments for investments and advances
Financing activities	206	129	77	Increase in proceeds from issuance of corporate bonds
Cash and cash equivalents (change)	40	40	1	
Free cash flow (A+B)	224	163	61	

Consolidated Balance Sheet



- ▶ Steady improvement in financial position thanks to reduced interest bearing debt
- ▶ Shareholders' equity ratio forecast to be above 20% at end of FY2005 (target of 23% by end of FY2007)

(Unit: ¥ 100million)

		FY2004	FY2005		Change from prior year- end	Main Factors for Change
		As of March 31	As of June 30	percent distribu- tion	Increase/ decrease	
Assets	Property, Plant and Equipment	18,900	18,742	93.1%	158	
	Power facilities	15,474	15,257	75.8%	217	Decrease due to progress in depreciation
	Other property, plant and equipment	279	260	1.3%	19	Preparatory construction of Oma Nuclear
	Construction in progress	1,706	1,786	8.9%	80	Power Plant
	Investment, etc.	1,441	1,440	7.1%	2	
	Current assets	1,317	1,380	6.9%	63	Increase in accounts receivable due to higher sales, etc.
	Total	20,217	20,122	100.0%	94	
Liabilities	Interest-bearing debt	14,980	14,945	74.3%	35	
	Other	1,311	1,178	5.8%	133	Decrease in accrued taxes, etc.
	Total	16,291	16,123	80.1%	168	
	Minority interests	12	11	0.1%	1	
	Shareholders' equity	3,913	3,988	19.8%	75	Increase in retained earnings
	Total	20,217	20,122	100.0%	94	
	D/E Ratio (x)	3.8	3.7			
	Shareholders' equity ratio	19.4%	19.8%			

FY2005 Consolidated Earnings Forecast



- ▶ Earnings forecasts are unchanged.
- ▶ Although expenses are projected to increase by 14.3 billion yen over the full year due to a change in the method of depreciation at some thermal power facilities, we will offset this increase by reviewing execution plans relating to overall operating costs.

FY2005 Consolidated Earnings Forecast

(Unit: ¥ 100million)

	FY2004		FY2005		
	Interim results	Full-year results	1Q (Apr.-Jun.)	Interim forecast (unchanged)	Full-year forecast (unchanged)
<u>Operating Revenues</u>	2,919	5,944	1,447	2,850	5,780
<u>Ordinary Income</u>	457	571	252	310	550
<u>Net Income</u>	296	356	158	200	360

. APPENDIX

Wholesale Electric Power Business: Monthly Electricity Sales



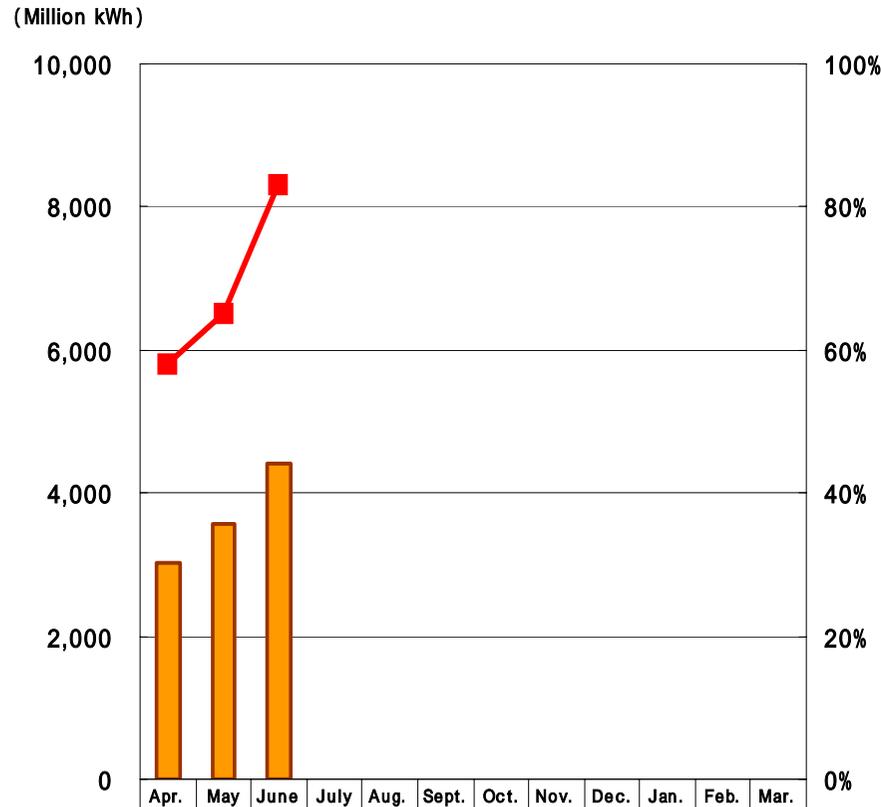
▶ Thermal Power: Apr.- June 2005 Results (Cumulative)

Load factor 69 %
 Electricity sales 11.0B kWh

▶ Hydroelectric Power: Apr.- June 2005 Results (Cumulative)

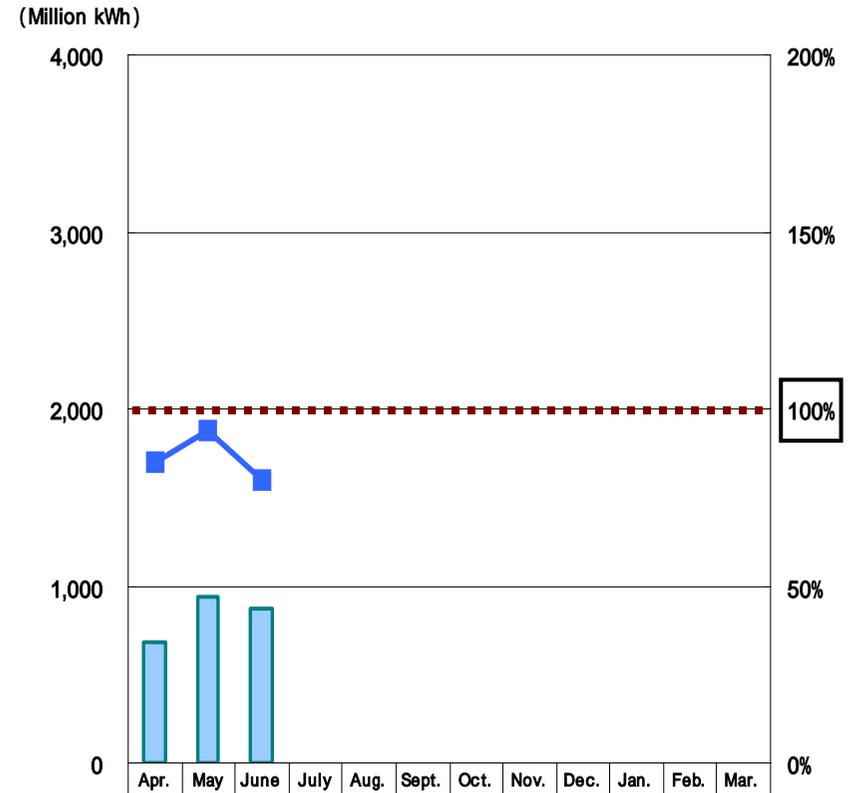
Water supply rate 87 %
 Electricity sales 2.5B kWh

Thermal Power: Monthly Electricity Sales



Electricity sales	3,036	3,565	4,403																
Load factor (Right)	58%	65%	83%																

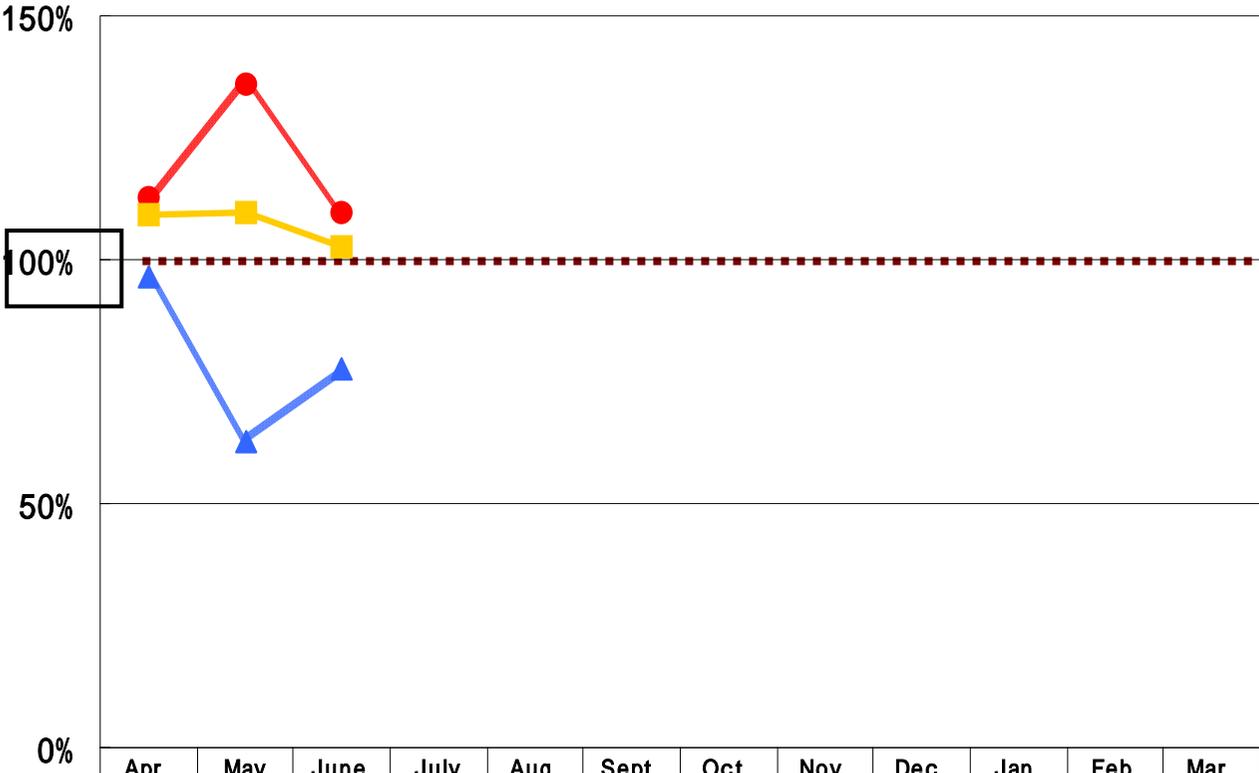
Hydroelectric Power: Monthly Electricity Sales



Electricity sales	680	933	866																
Water supply rate (Right)	85%	94%	80%																

Wholesale Electric Power Business: Changes in Monthly Electricity Sales

Year-on-year Comparison of Monthly Electricity Sales:
Thermal Power and Hydroelectric Power



 Year-on-year (Hydro)	96%	63%	78%									
 Year-on-year (Thermal Power)	113%	136%	110%									
 Year-on-year Total	109%	109%	103%									

Cumulative Apr.-Jun.	75%
	118%
	107%

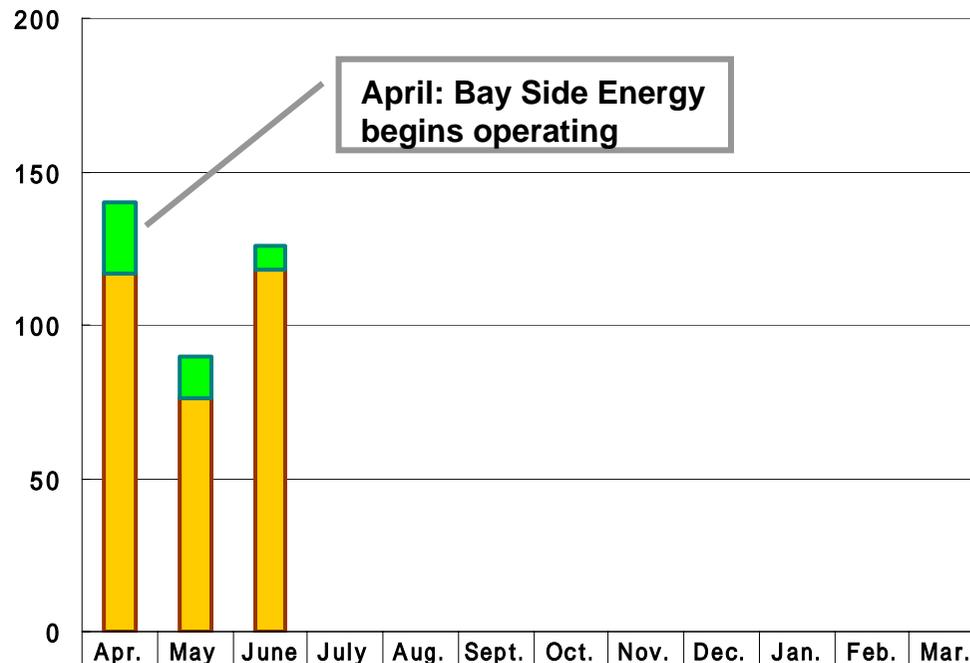
Other Electric Power Businesses: Monthly Electricity Sales



- Other Electric Power Businesses (IPP, for PPS, Wind Power):
Total Electricity Sales (Cumulative Apr.- June 2005) 0.36 B kWh

Other Electric Power Businesses :
Monthly Electricity Sales

(Million kWh)



	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Wind Power Electricity Sales	23	14	8									
Thermal Power (IPP,for PPS) Electricity Sales	117	76	118									

Currently Operating Electric Power Subsidiaries (Consolidated)

Thermal Power :

(I P P)

Itoigawa Power	134 MW	(80%)
(for P P S)		
Ichihara Power	110 MW	(60%)
Bay Side Energy	108 MW	(100%)

Wind Power :

Dream-Up Tomamae	31 MW	(100%)
Green Power Kuzumaki	21 MW	(100%)
Nikaho-Kogen	25 MW	(67%)
Nagasaki Shikamachi	15 MW	(70%)
Green Power Aso	18 MW	(81%)
J-Wind TAHARA	22 MW	(66%)

Note: equity stake shown in parentheses

Note: Does not take proportion of equity holdings into account