
Summary of FY2007 Third Quarter Earnings Results

(for the Nine Months Ended December 31, 2007)



Electric Power Development Co., Ltd.

January 2008

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.

Furthermore, information and data other than those concerning the Company and its subsidiaries/affiliates are quoted from public information, and the Company has not verified and will not warrant its accuracy or dependency.

- ▶ Operating Revenues rose but Operating Income and Ordinary Income fell (year on year comparison):

Operating Income declined by 9.7 billion yen as a result of continued lower water flow and increase in coal procurement costs as noted in Q2. Rate reductions for hydroelectric and transmission as of September 2007 also had a negative impact.

This was partially offset by an increase in income from our overseas power generation business. The end result was a 4.4 billion yen decline in ordinary income.

Summary of Third Quarter Earnings Results (consolidated)

(Unit: ¥100 million)

	FY2006 3rd Quarter (Apr.-Dec.)	FY2007 3rd Quarter (Apr.-Dec.)	Year-on-year change	
			Increase/ Decrease	Increase/ Decrease(%)
Operating Revenues	4,211	4,430	219	5.2%
Operating Income	657	560	-97	-14.8%
Ordinary Income	562	518	-44	-7.8%
Net Income	358	351	-7	-2.0%

【 Year-on-Year Comparison– Main Factors for Change 】



Increase in operating revenues (+21.9 billion yen)

- ▶ Thermal power (J-POWER) +20.9 billion yen
 - Higher load factor (decrease in periodic inspections)
 - Load factor 72% → 82% (+5 billion kWh)
- ▶ Hydroelectric power (J-POWER) -6.6 billion yen
 - Water supply rate 113% → 84% (-2.3 billion kWh)
 - Rate reductions for hydroelectric and transmission in Sep. 2007
- ▶ Other businesses +7.6 billion yen
 - Increase in external sales by subsidiaries

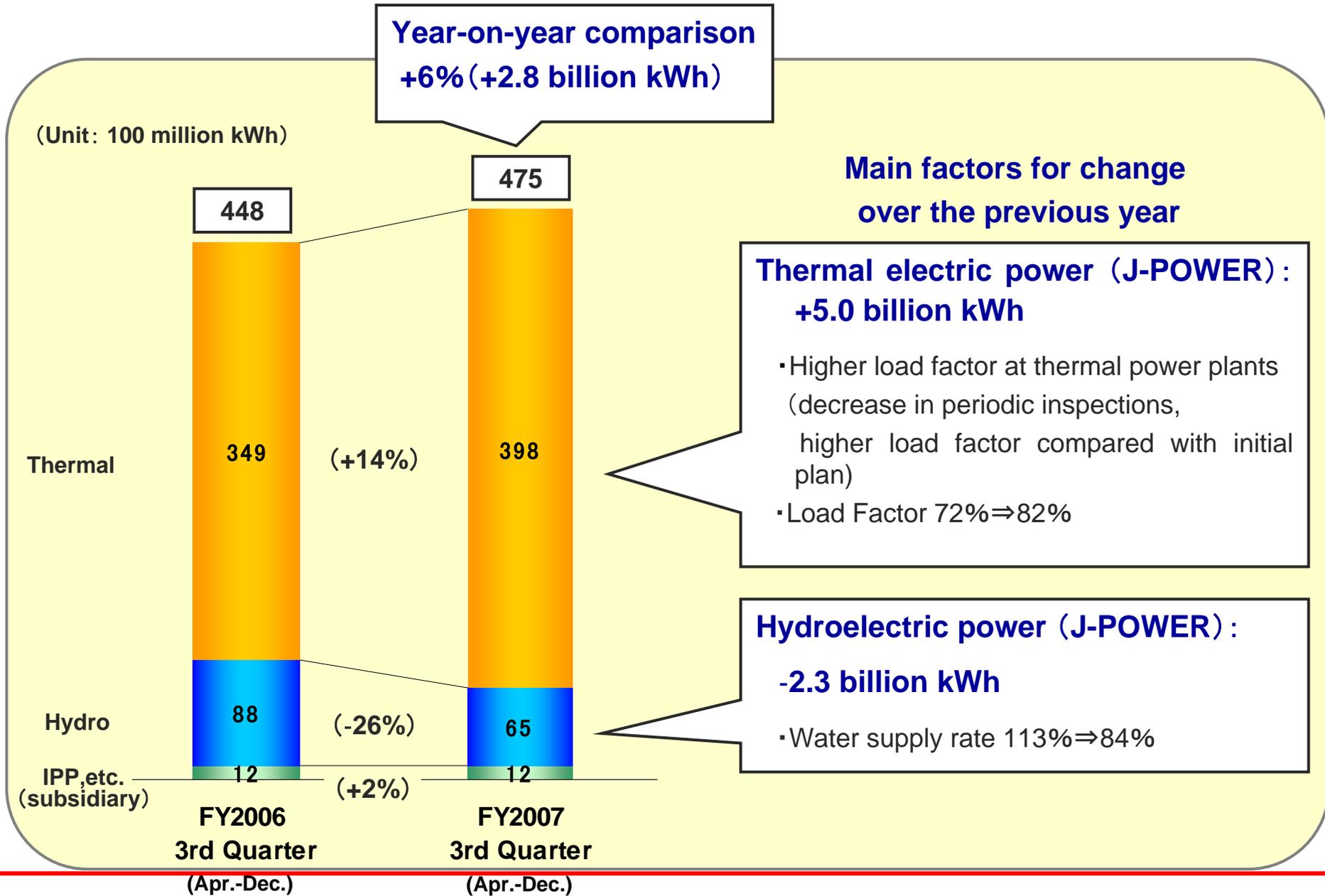
Decline in operating income (-9.7 billion yen)

- ▶ Negative:
 - Lower water flow, rate reductions for hydroelectric and transmission in Sep. 2007
 - Increase in coal procurement costs due to heavy congestion at loading ports (emergency purchases of alternative coal, additional charters of coal carriers)
 - Mainly due to decrease in amortization of actuarial difference in retirement benefits
- ▶ Positive: Mainly due to decrease in thermal power plant repair expense in line with our efficiency program and periodic inspection plans

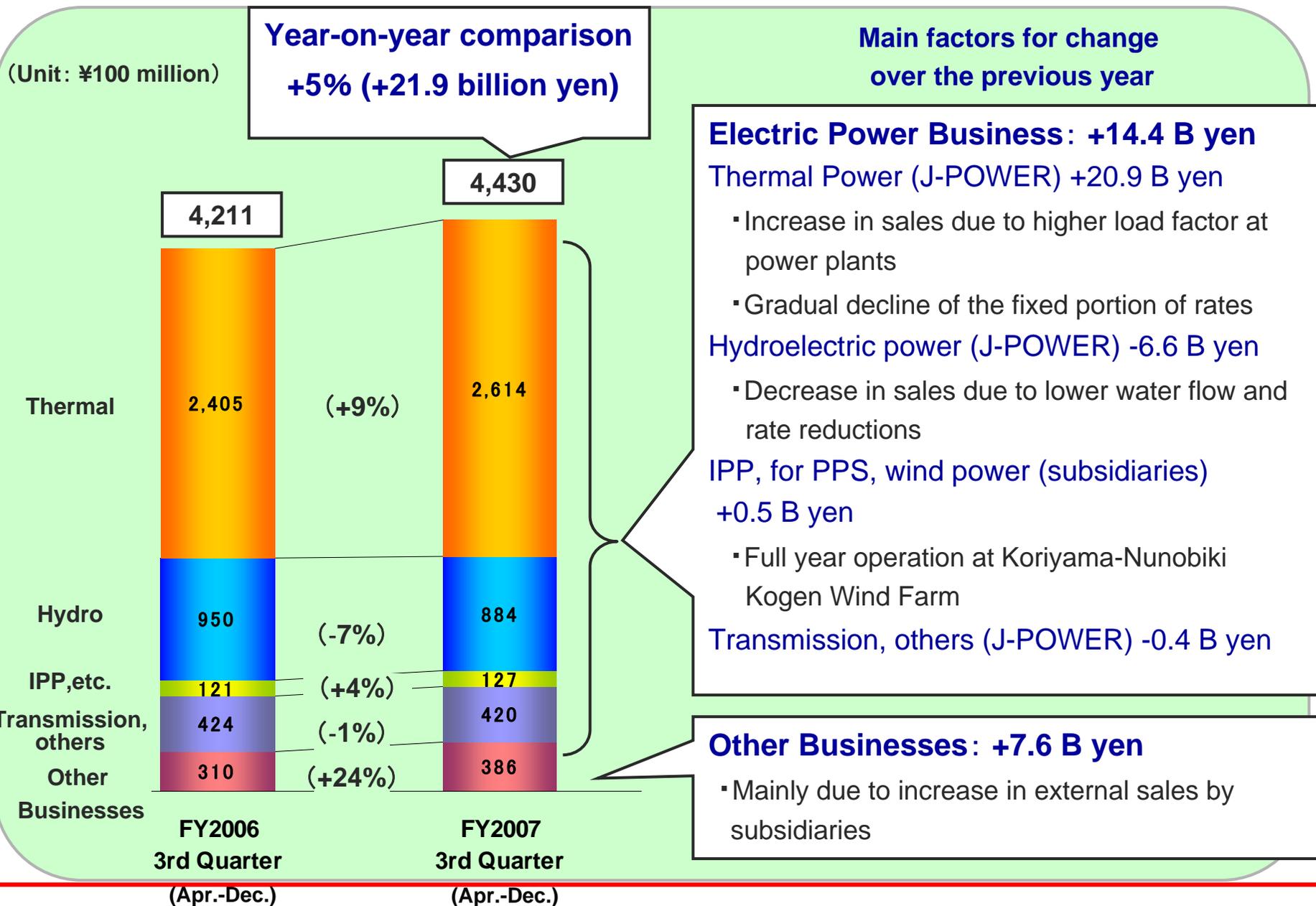
Decline in ordinary income (-4.4 billion yen)

- ▶ Increase in non-operating income:
 - Increase in income from overseas power generation business
 - Gain on sale of wind power generation business in Spain

Electric Power Business Consolidated Sales



Causes of Change in Consolidated Operating Revenues



Consolidated Income: comparison



(Unit: ¥100 million)

	FY2006 3rd Quarter (Apr.-Dec.)	FY2007			Year-on-year change Increase/ Decrease	Main Factors for Change	
		Interim (Apr.-Sep.)	Oct.-Dec.	3rd Quarter (Apr.-Dec.)			
Ordinary Revenues	Operating Revenues	4,211	2,969	1,461	4,430	219	
	Electric power business	3,901	2,735	1,309	4,045	144	Higher load factor at thermal, lower water flow, rate reductions for hydroelectric and transmission Mainly due to increase in external sales by subsidiaries
	Other businesses	310	234	152	386	76	
	Non-operating Revenues	91	122	38	161	69	Increase in overseas power generation business Mainly due to sale of wind power generation business in Spain
	Equity income of affiliates	47	54	21	75	28	
	Others	44	69	17	85	41	
	Total Ordinary Revenues	4,302	3,092	1,499	4,591	288	
Ordinary Expenses	Operating Expenses	3,554	2,543	1,327	3,871	316	
	Electric power business	3,216	2,291	1,175	3,466	250	Decrease in amortization of actuarial difference in retirement benefits Mainly due to higher load factor at thermal power plants, increase in coal procurement costs
	Personnel expenses	212	153	75	227	16	
	Fuel cost	1,078	936	497	1,433	355	Decrease in periodic inspections at thermal power plants
	Repair expense	301	154	63	216	-85	
	Outsourcing expenses	213	139	71	210	-3	Decrease due to progress in depreciation, increase due to reform of tax law Mainly due to increase in waste treatment expenses Increase in expenses of subsidiaries
	Depreciation	885	548	275	823	-62	
	Others	526	362	195	557	30	
	Other businesses	339	252	153	405	66	Mainly due to increase in non-business expenses
	Non-operating expenses	186	144	58	202	16	
	Interest expenses	168	117	55	172	4	
	Others	18	27	3	30	12	
	Total ordinary expenses	3,741	2,687	1,386	4,073	332	
Ordinary Income	562	404	113	518	-44		

Consolidated Cash Flow



- ▶ Overall investment spending increased by 21.7 billion yen compared to the same period a year earlier due mainly to capital expenditures such as construction of the Ohma Nuclear Power Plant. This was partially offset by a decline in investment and loans to overseas power generation businesses.

Year on year comparison: main factors for change in investment cash flow

- Capital expenditure, mainly for Ohma Nuclear and Isogo New No. 2, increased by 39.8 billion yen
 - Investment and loans, mainly to overseas power businesses, declined by 10.1 billion yen
 - Gain on sales of investments (sale of wind power business in Spain; transfer of stake in two US power companies, Tenaska and Elwood) increased by 11.8 billion yen
- ▶ Free cash flow down 32 billion yen to negative 9.7 billion yen compared with the same period of the previous fiscal year.

(Unit: ¥100 million)

	FY2006	FY2007			Year-on-year Increase/ Decrease	Main Factors for Change
	3rd Quarter (Apr.-Dec.)	Interim (Apr.-Sep.)	Oct.-Dec. Incr./Decr.	3rd Quarter (Apr.-Dec.)		
Operating activities (A)	1,097	695	298	994	-103	Decrease in depreciation cost
Investing activities (B)	-874	-625	-466	-1,091	-217	Increase in capital expenditure, decrease in investment and loans
Financing activities	-236	52	70	122	358	Increase in borrowings and corporate bonds
Free Cash Flow (A+B)	223	71	-168	-97	-320	

Consolidated Balance Sheet



- ▶ Total value of assets rose 4.7 billion yen as a result of an increase in capital investment mainly for the new Ohma Nuclear and Isogo New No. 2 plants, offsetting depreciation.
- ▶ Shareholders' equity ratio improved to 23.8%.

(Unit: ¥100 million)

	FY2006 As of March 31	FY2007		As of Dec.31	change from prior year end Incr./Decr.	Main Factors for Change	
		As of Sep. 30	Oct.-Dec. Incr./Decr.				
Assets	Fixed assets	18,618	18,429	114	18,542	-76	
	Electric power business	13,520	13,025	-223	12,802	-718	Decrease due to progress in depreciation
	Other businesses	337	410	-18	392	55	Additional facilities at subsidiaries
	Construction in progress	2,487	2,932	192	3,124	637	Ohma Nuclear, Isogo New No.2
	Nuclear fuel	—	—	101	101	101	Uranium refining cost
	Investments, etc.	2,274	2,062	62	2,124	-151	Decrease due to transfer of a part of ownership in US power companies
	Current assets	1,380	1,642	-139	1,503	123	Increase in accounts receivable
Total	19,998	20,071	-25	20,045	47		
Liabilities	Interest-bearing debt	14,215	14,063	121	14,185	-31	Increase in corporate bonds, decrease due to transfer of a part of ownership in US power companies
	Others	1,156	1,141	-68	1,073	-83	Decrease in accrued accounts
	Total	15,371	15,204	53	15,257	-114	
Net Assets	Minority interests	15	23	-7	16	2	
	Shareholders' equity	4,612	4,844	-72	4,771	159	Increase in retained earnings
	Total	4,627	4,867	-79	4,788	161	
Grand Total	19,998	20,071	-25	20,045	47		
D/E ratio (x)	3.1	2.9		3.0			
Shareholders' equity ratio	23.1%	24.1%		23.8%			

FY2007 Consolidated Earnings Forecast



- ▶ We are revising our full year earnings forecast downward in anticipation of the impact of:
 - ▶ Decrease in hydroelectric power sales due to continued lower water flow.
 - ▶ Further increase in coal procurement costs due mainly to prolonged heavy congestion at loading ports and torrential rain in January.
- ▶ We are committed to making group-wide efforts to further lower costs in pursuit of improving the bottom line.

FY2007 Consolidated Full-Year Forecast

(Unit: ¥100 million)

	FY2007		Comparison with the previous forecast	
	Forecast (Previous)	Forecast (Current)	Increase/Decrease	Increase/Decrease (%)
Operating Revenues	5,890	5,920	30	0.5%
Operating Income	620	560	-60	-9.7%
Ordinary Income	520	470	-50	-9.6%
Net Income	340	320	-20	-5.9%

【Comparison with Forecast Before Adjustment: Key Factors】



Increase in Operating Revenues (+3 billion yen)

- ▶ Thermal electric power: +2 billion yen
 - Load factor forecast: 81%→ 82% (+0.4 billion kWh)
- ▶ Hydroelectric power: -1 billion yen
 - Water supply rate forecast: 89%→ 86% (-0.4 billion kWh)
- ▶ Other businesses: +2 billion yen

Decrease in Operating Income (-6 billion yen)

- ▶ Negative:
 - Further lower water flow
 - Increase in coal procurement costs

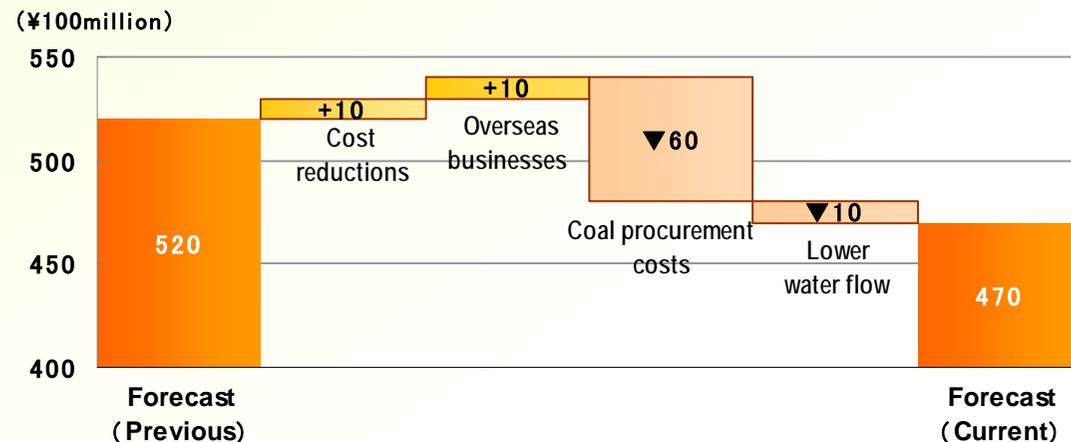
Decrease in Ordinary Income (-5 billion yen)

- ▶ Improvement in non-operating balance (+1 billion yen):
 - Increase in income from overseas power generation businesses

Main Factors for Increase in Coal Procurement Costs

- Increased negative impact : -6 billion yen
-7 billion yen (forecast as of interim period)
→ -13 billion yen (current forecast)
- Factors for the increase:
 - Prolonged heavy congestion at Australia's main loading ports
 - Reduced export quota ceilings at loading ports in Dec.; operation shutdown at a coal mine due to torrential rain in Jan.
- Increase in emergency purchases of alternative coal and additional charters of coal carriers

Main Factors for Change in Ordinary Income Forecast



APPENDIX

Wholesale Electric Power Business: Monthly Electricity Sales



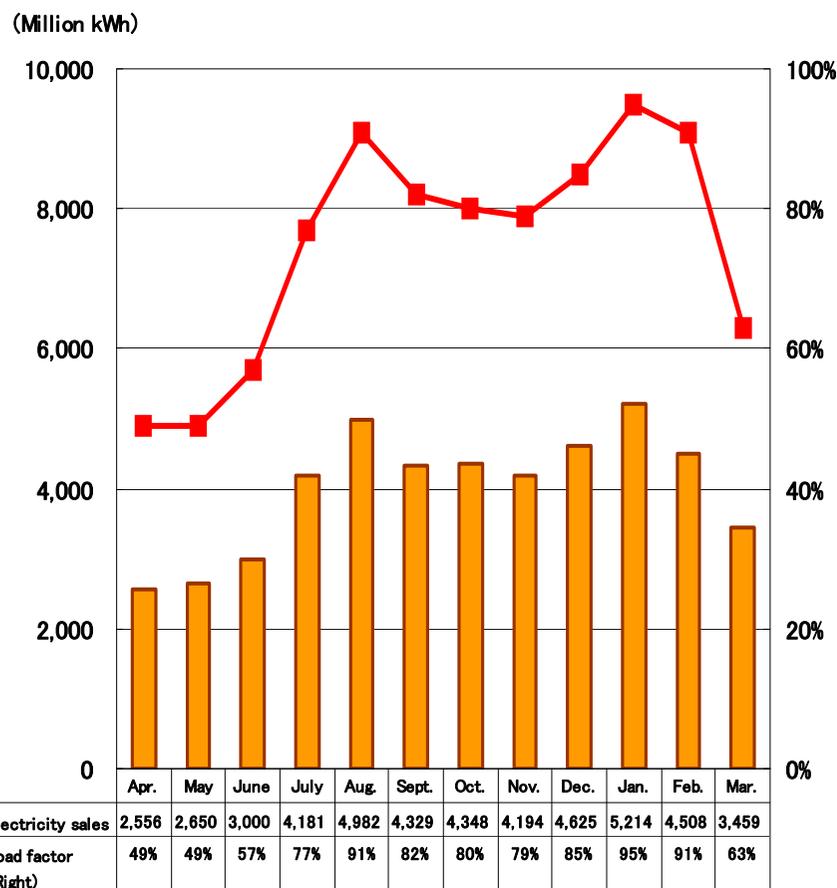
▶ Thermal Power: Apr.2006 - Mar. 2007 Results (Cumulative)

Load factor ⇒ 75%
Electricity sales ⇒ 48.0B kWh

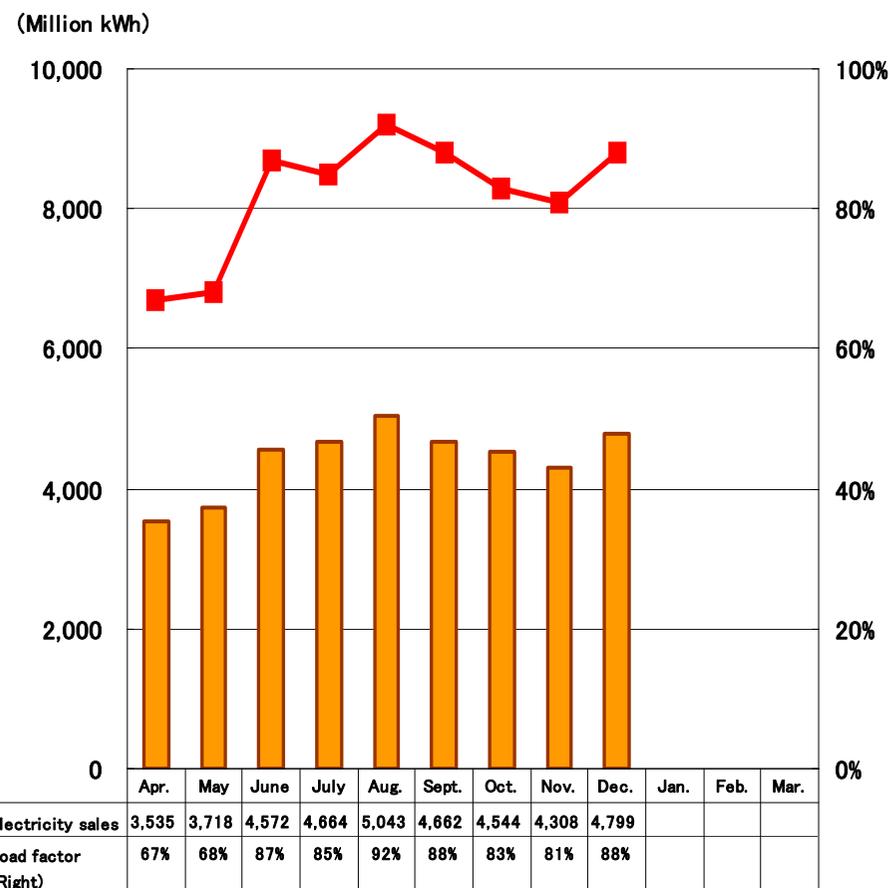
▶ Thermal Power: Apr.2007 – Dec.2007 Results (Cumulative)

Load factor ⇒ 82%
Electricity sales ⇒ 39.8B kWh

Thermal Power: Monthly Electricity Sales



Thermal Power: Monthly Electricity Sales



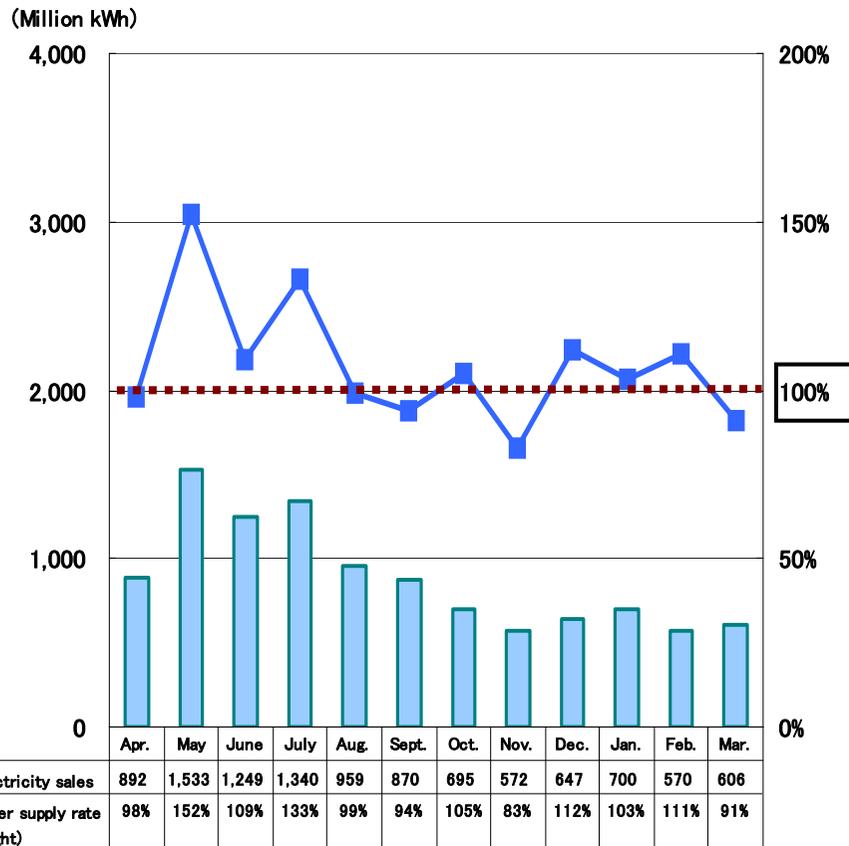
Wholesale Electric Power Business: Monthly Electricity Sales



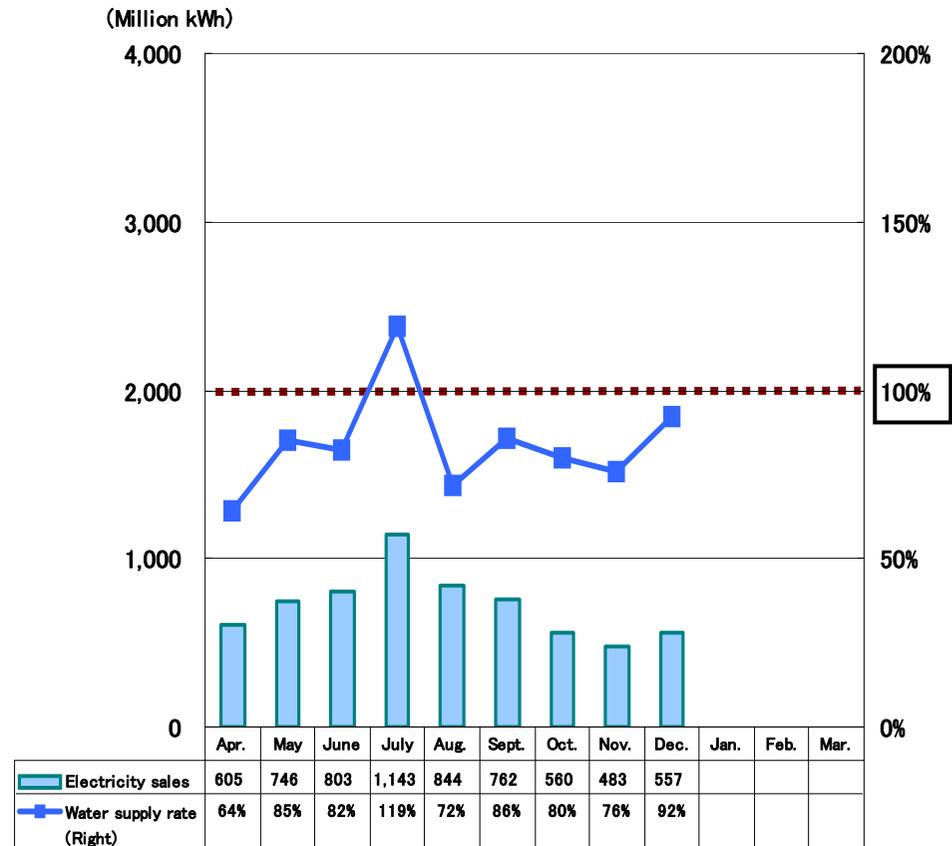
- ▶ Hydroelectric Power: Apr.2006 - Mar.2007
 Results (Cumulative)
 Water supply rate ⇒ 112%
 Electricity sales ⇒ 10.6B kWh

- ▶ Hydroelectric Power: Apr.2007 - Dec.2007
 Results (Cumulative)
 Water supply rate ⇒ 84%
 Electricity sales ⇒ 6.5B kWh

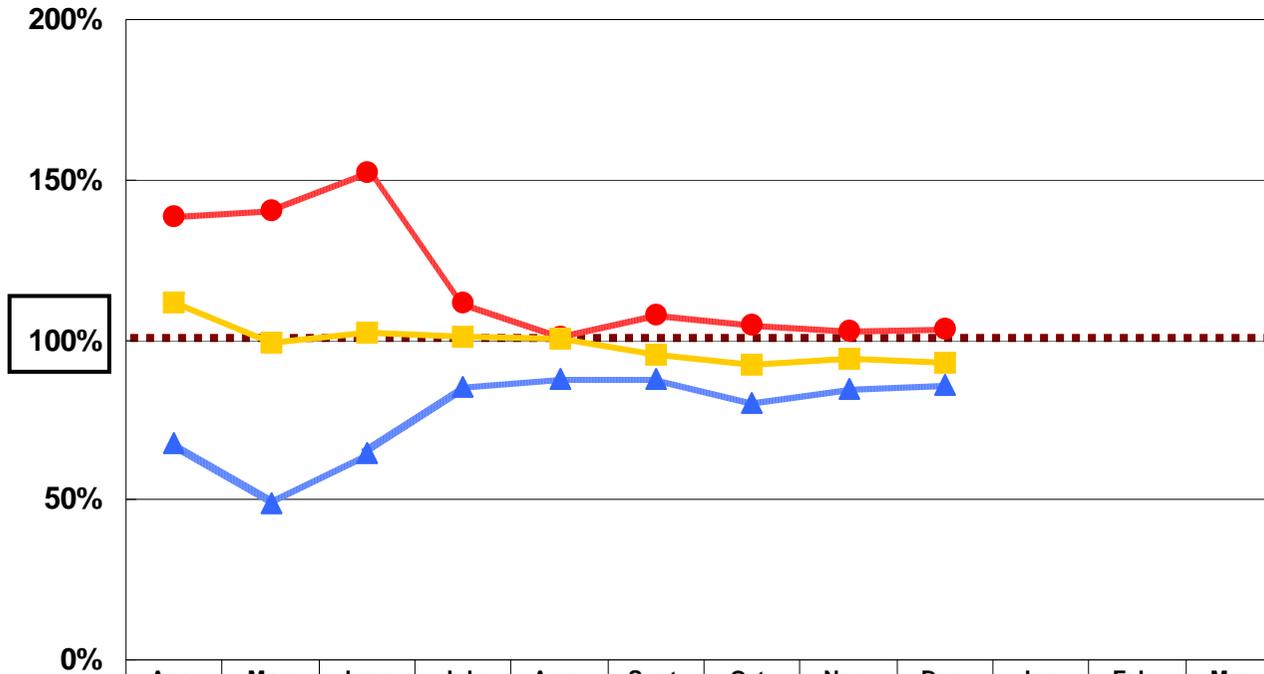
Hydroelectric Power: Monthly Electricity Sales



Hydroelectric Power: Monthly Electricity Sales



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



	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Cumulative Apr.- Dec.
Year-on-year (Hydro)	68%	49%	64%	85%	88%	88%	81%	85%	86%				74%
Year-on-year (Thermal Power)	138%	140%	152%	112%	101%	108%	105%	103%	104%				114%
Year-on-year Total	111%	99%	102%	101%	100%	95%	92%	94%	93%				98%

Other Electric Power Businesses: Monthly Electricity Sales



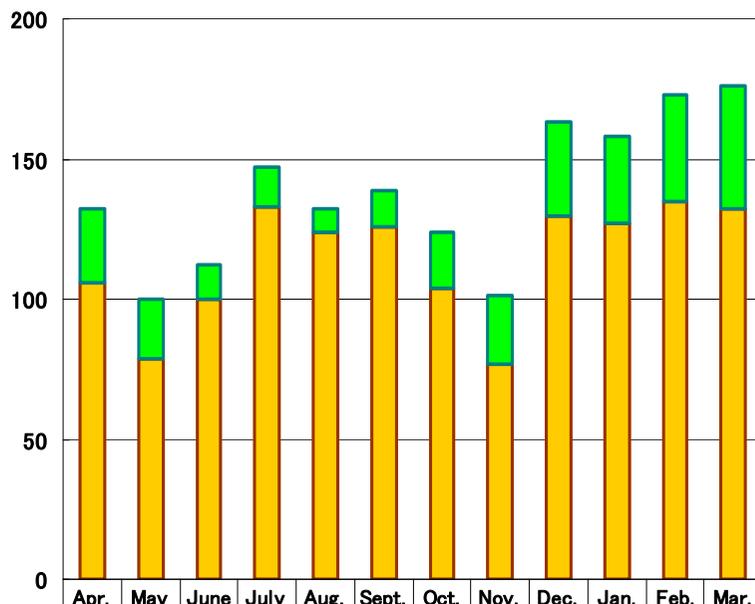
▶ Other Electric Power Businesses (IPP, for PPS, Wind Power):

Total Electricity Sales
 (Cumulative Apr.2006 - Mar.2007)
 ⇒ 1.7 B kWh

Total Electricity Sales
 (Cumulative Apr.2007 - Dec.2007)
 ⇒ 1.2 B kWh

Other Electric Power Businesses:
 Monthly Electricity Sales

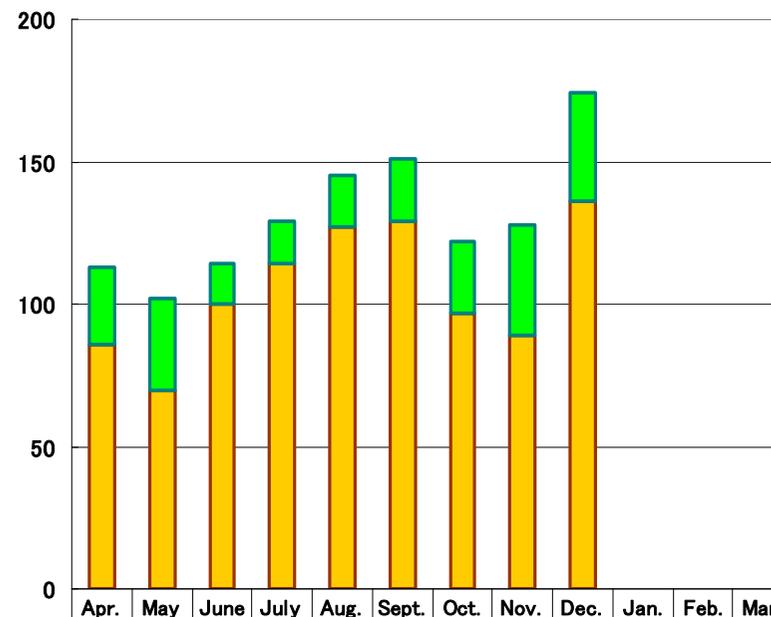
(Million kWh)



Wind Power Electricity Sales	26	21	12	14	8	13	20	24	33	31	38	44
Thermal Power (IPP,for PPS) Electricity Sales	106	79	100	133	124	126	104	77	130	127	135	132

Other Electric Power Businesses:
 Monthly Electricity Sales

(Million kWh)



Wind Power Electricity Sales	27	32	14	15	18	22	25	39	38			
Thermal Power (IPP,for PPS) Electricity Sales	86	70	100	114	127	129	97	89	136			

Note: Does not take proportion of equity holdings into account

Major financial data: Consolidated



(Unit: ¥100 million)

	FY2003	FY2004	FY2005	FY2006	FY2006 3Q	FY2007 3Q
《 P L 》						
Operating revenues	5,699	5,944	6,219	5,733	4,211	4,430
(EBITDA)※1	2,635	2,372	2,365	2,002	1,580	1,416
Operating income	1,321	1,119	1,015	771	657	560
Ordinary income	444	571	679	555	562	518
Net income	276	356	436	352	358	351
《 B S 》						
Shareholder's equity	3,596	3,913	4,330	4,612	4,582	4,771
Assets	20,761	20,217	19,647	19,998	19,829	20,045
Interest-bearing debt	15,929	14,980	14,082	14,215	13,992	14,185
《 C F 》						
Cash flows from operating activities	1,799	1,726	1,739	1,572	1,097	994
Cash flows from investing activities	-645	-606	-723	-1,554	-874	-1,091
Cash flows from financing activities	-1,475	-1,118	-1,036	-22	-236	122
FCF ※2	1,154	1,121	1,016	18	223	-97
Depreciation	1,314	1,253	1,350	1,231	923	857
Capital expenditures	462	509	609	907	667	915
《Group Employees》※3	5,871	5,925	5,868	6,484	—	—

※1 EBITDA = Operating income + Depreciation

※2 FCF = Cash flow from operating activities + Cash flow from investing activities

※3 All subsidiaries were made consolidated subsidiaries in FY2006, which became a primal cause of year-on-year increase in FY2006.

Key ratios and Primary data



【 Key ratios : Consolidated 】	FY2003	FY2004	FY2005	FY2006	FY2006 3Q	FY2007 3Q
Ordinary Income/Operating Revenues(%)	7.8%	9.6%	10.9%	9.7%	13.3%	11.7%
Shareholders' equity ratio(%)	17.3%	19.4%	22.0%	23.1%	23.1%	23.8%
D/E ratio	4.4	3.8	3.3	3.1	3.1	3.0
ROE(%)※3	10.5%	9.5%	10.6%	7.9%	—	—
ROA(%)※4	2.1%	2.8%	3.4%	2.8%	—	—
EPS(¥)	304.9※1	255.0	260.8※2	211.1	214.8	210.5
BPS(¥)	2,590.0	2,818.0	2,598.9※2	2,769.0	2,750.8	2,864.7

※1: We've expanded shareholder equity by increasing capital through a third-party allocation of shares in December 2003.

※2: Effective March 1, 2006, we carried out a 1.2-for-1 stock split.

These figures are calculated based on the assumption that the said stock split was carried out at the beginning of that year.

※3: ROE=Consolidated current net income / The average of consolidated shareholders' equity at the beginning and the end of the period

※4: ROA=Consolidated ordinary income / The average of consolidated total assets at the beginning and the end of the period

【 Primary data 】	FY2003	FY2004	FY2005	FY2006	FY2006 3Q	FY2007 3Q
Coal:						
Amount purchase (10 thousand ton)	1,828	1,969	2,136	1,890	—	—
Load factor of coal-fired thermal power plants (%)	75%	77%	84%	75%	72%	82%
Water supply rate (%)	109%	118%	90%	112%	113%	84%
Australian coal price (FOB, US\$) ※1	26.75	45.00	52.5~54.0	52.0~53.0	52.0~53.0	55.0~56.0
Average Exchange rate (¥/US\$) ※2	113	108	113	117	117	117

※1: Reference price

※2: TTM

Electric Power sales and revenues, Generation capacity : Consolidated

	FY2003	FY2004	FY2005	FY2006	FY2006 3Q	FY2007 3Q
Electric power sales (million kWh)						
Wholesale electric power business	58,787	60,517	62,627	58,672	43,616	46,347
Hydroelectric	10,850	11,172	8,583	10,633	8,757	6,502
Thermal	47,937	49,345	54,044	48,039	34,859	39,844
Other electric power business	517	965	1,701	1,657	1,150	1,175
Total	59,305	61,483	64,328	60,329	44,766	47,522
Electric power revenues (100 million yen)						
Wholesale electric power business	4,535	4,763	4,951	4,500	3,355	3,498
Hydroelectric	1,358	1,371	1,268	1,235	950	884
Thermal	3,177	3,392	3,683	3,265	2,405	2,614
Other electric power business	45	87	165	169	121	127
Transmission	634	612	583	552	414	411
Total	5,213	5,462	5,698	5,221	3,890	4,035
Generation capacity (MW)						
Wholesale electric power business	16,375	16,375	16,375	16,380	16,380	16,380
Hydroelectric	8,551	8,551	8,551	8,556	8,556	8,556
Thermal	7,825	7,825	7,825	7,825	7,825	7,825
Other electric power business	134	375	495	561	495	560
Total	16,509	16,750	16,870	16,941	16,875	16,940

Revenues and Expenses : Consolidated



(Unit: ¥100 million)

	FY2003	FY2004	FY2005	FY2006	FY2006 3Q	FY2007 3Q
Operating revenues	5,699	5,944	6,219	5,733	4,211	4,430
Electric power operating revenues	5,229	5,480	5,732	5,238	3,901	4,045
Other operating revenues	469	464	487	495	310	386
Operating expenses	4,377	4,825	5,204	4,961	3,554	3,871
Electric power operating expenses	3,865	4,317	4,697	4,445	3,216	3,466
Personnel expenses	422	338	213	272	212	227
Fuel cost	859	1,166	1,608	1,499	1,078	1,433
Repair expense	287	475	387	412	301	216
Outsourcing expenses	262	340	314	318	213	210
Depreciation and amortization cost	1,284	1,220	1,315	1,186	885	823
Others	751	778	860	758	526	557
Other operating expenses	513	508	507	517	339	405
Operating income	1,321	1,119	1,015	771	657	560
Non-operating revenues	41	39	76	130	91	161
Non-operating expenses	918	587	412	346	186	202
Interest expenses	835	509	357	226	168	172
Others	82	78	54	121	18	30
Ordinary income	444	571	679	555	562	518



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<http://www.jpowers.co.jp/>