

FY2006 Interim Earnings Results Presentation



Electric Power Development Co., Ltd.

November 14, 2006

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.

I. Summary of FY2006 Interim Earnings Results

Key Points regarding Interim FY2006 Consolidated Earnings Results



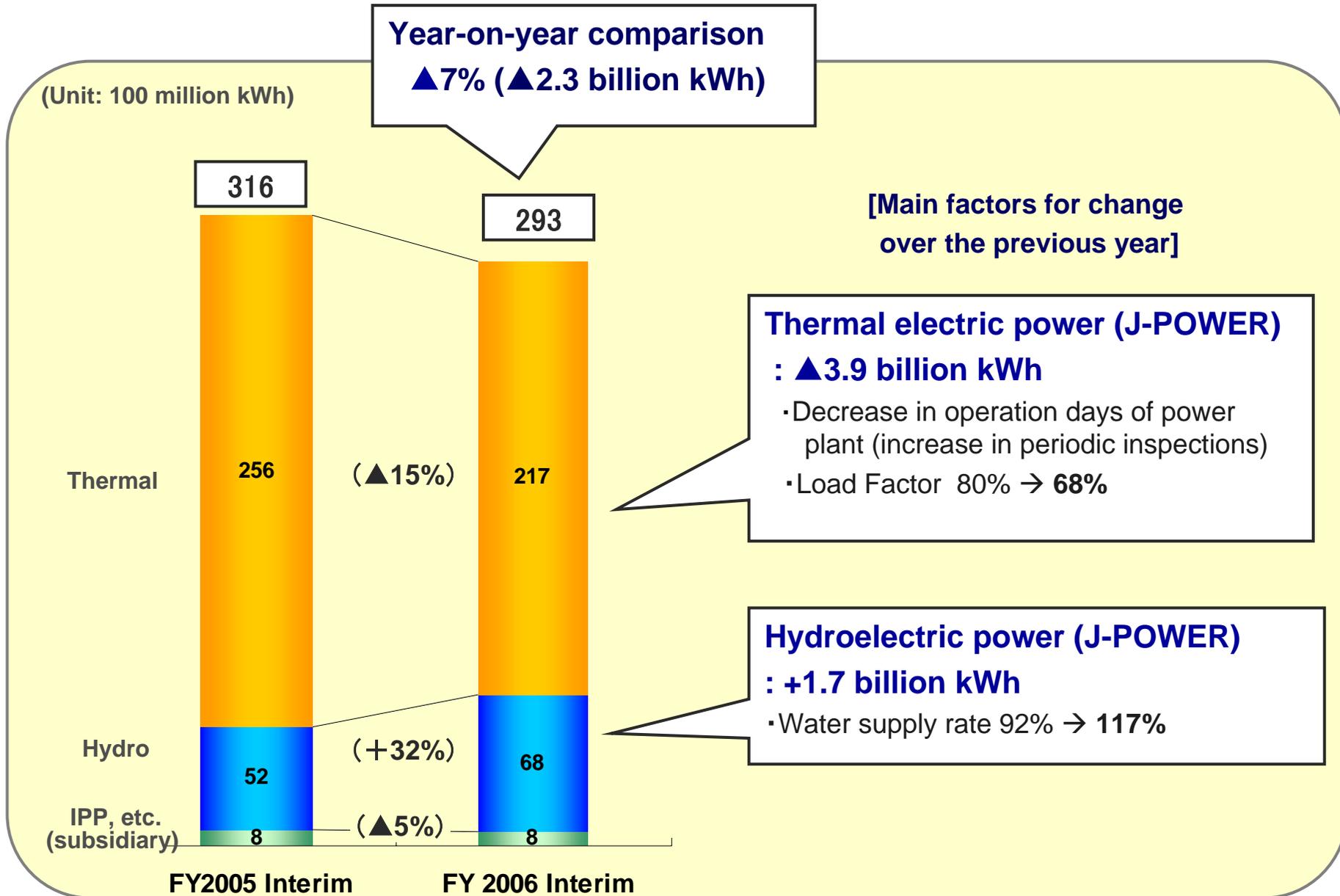
- ▶ **Lower revenues and income results (year-on-year comparison) :**
 - Operating Income declined due primarily to the effects of the rate reductions for hydroelectric and transmission in October of 2005, while Ordinary Income decreased slightly as a result of improvements in Non-operating income and expenses.

Summary of Interim Earnings Results

(Unit: ¥100 million)

	FY2005	FY2006	Year-on-year comparison	
	Interim (Apr.-Sep.)	Interim (Apr.-Sep.)	Increase/ Decrease	Decrease (%)
Operating Revenues	3,054	2,770	284	9.3%
Operating Income	545	441	104	19.1%
Ordinary Income	382	373	9	2.5%
Net Income	238	236	2	0.7%

Electric Power Business Consolidated Sales



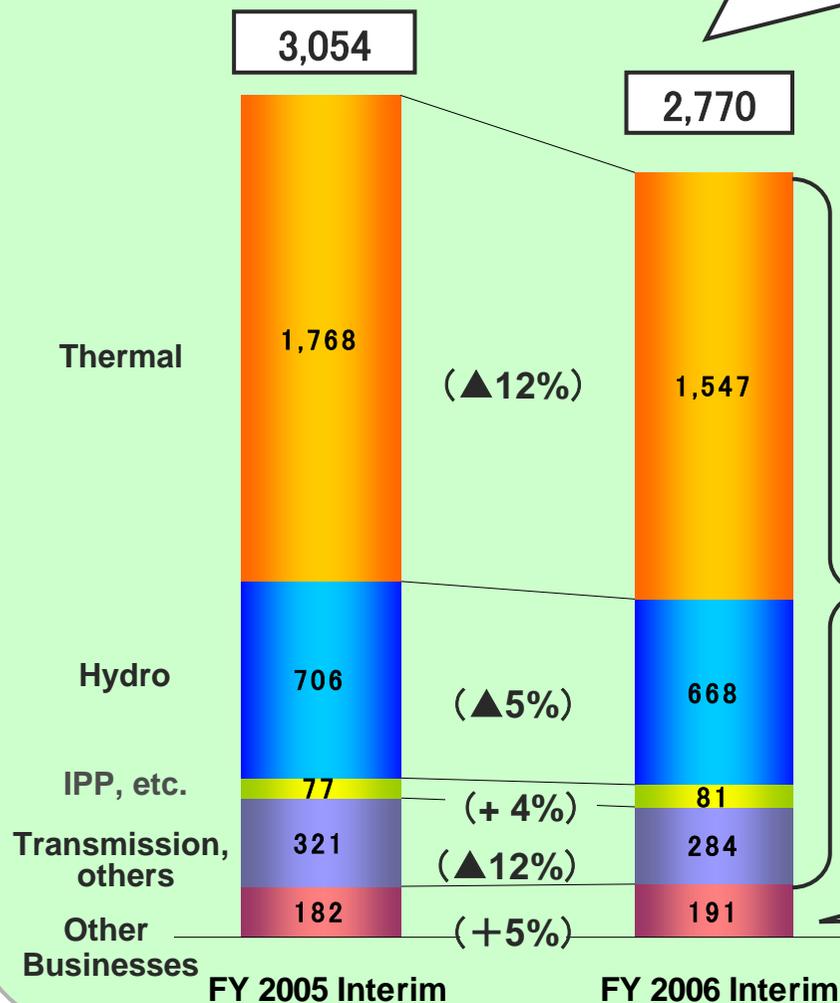
Causes of Change in Consolidated Operating Revenues



(Unit: ¥100 million)

Year-on-year comparison
▲9% (▲28.4 billion yen)

[Main factors for change over the previous year]



Electric Power Business : ▲29.3 B yen

[Thermal power (J-POWER) ▲22.0 B yen]

- Decrease in sales due to drop in utilization of power plant (longer periodic inspections term)

[Hydroelectric power (J-POWER) ▲3.8 B yen]

- Affected by rate reductions
- Increase in sales due to high water flow

[IPP, for PPS, wind power (subsidiaries)

+ 0.3 B yen]

- Full-year operation of a new electric power plants etc.

[Transmission, others (J-POWER)

▲3.7 B yen]

- Affected by rate reductions

Other Businesses* : +0.8 B yen

- Increase due to expansion of consolidation scope etc.

*Other Businesses includes Electric Power-Related Business, defined as a segment from FY2006 interim period. (See Slide 7)

Consolidated Income: comparison



(Unit: ¥100 million)

	FY 2005 Interim (Apr.-Sep.)	FY 2006			Year-on-year Increase /Decrease	Main factors for change	
		(Apr.-Jun.)	(Jul.-Sep.)	Interim (Apr.-Sep.)			
Ordinary Revenues	Operating Revenues	3,054	1,301	1,469	2,770	284	
	Electric power business	2,872	1,218	1,361	2,579	293	Lower load factor at Thermal power plants; Rate reductions for hydroelectric and transmission
	Other businesses (*)	182	83	107	191	8	Expansion of consolidation scope
	Non-operating Revenues	28	36	21	56	28	
	Equity income of affiliates	4	16	6	22	19	Increase in overseas IPP business
	Others	24	20	14	34	10	
	Total Ordinary Revenues	3,082	1,337	1,489	2,827	256	
Ordinary Expenses	Operating Expenses	2,509	1,074	1,256	2,329	180	
	Electric power business	2,305	977	1,139	2,116	189	
	Personnel expenses	149	75	67	141	8	Decrease in retirement benefits expenses
	Fuel cost	738	261	417	677	60	Lower power sales
	Repair expense	228	117	107	224	4	Increase in periodic inspections at thermal plants; Decrease in hydroelectric
	Outsourcing expenses	141	70	74	144	4	
	Depreciation	656	292	297	589	66	Progress in depreciation
	Others	394	162	178	340	55	Decrease in waste treatment expenses; Decrease in Intangible asset amortization
	Other businesses (*)	204	97	117	213	10	
	Non-operating expenses	191	57	68	125	66	
	Interest expenses	173	54	56	110	63	Decrease in prepayment premium by Debt Assumption; Lower interest rates and reduced debt outstanding
	Others	18	3	11	14	3	
Total ordinary expenses	2,700	1,130	1,324	2,454	246		
Ordinary Income	382	207	166	373	9		

*Other Businesses includes Electric Power-Related Business, defined as a segment from FY2006 interim period. (See Slide 7)

Summary of Consolidated Results by Segment



▶ Electric Power Business

Wholesale power business: J-Power's hydroelectric, thermal power, and transmission business. Most consolidated revenue is derived from this segment.

Other electric power businesses: Subsidiaries' thermal power(IPP, for PPSs) and wind power.

▶ Electric Power-Related Businesses (*)

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

Intra-group transactions account for a large portion of this segment, such as Company's power plant maintenance, coal transportation activities.

▶ Other Businesses (*)

Diversified businesses such as telecommunication, environmental, and investing in overseas power generation

(*) Changes in Business Segments

The former 2 segments: 'Electric Power Business' and 'Other Businesses', was reorganized into 3 segments: 'Electric Power Business', 'Electric Power-Related Business' and 'Other Businesses' starting with the current interim period.

Revenue	(Unit: ¥100 million)			
	FY 2005	FY 2006	Year-on-year Change	
	Interim (Apr.-Sep.)	Interim (Apr.-Sep.)	Increase/Decrease	Increase/Decrease (%)
Electric Power Business	2,878	2,595	283	9.8%
Electric Power-Related Businesses (*)	1,067	1,101	34	3.2%
Other Businesses(*)	63	95	31	49.5%
Subtotal	4,009	3,791	218	△5.4%
Eliminations	955	1,021	66	7.0%
Consolidated	3,054	2,770	284	9.3%

Operating Income	(Unit: ¥100 million)			
	FY 2005	FY 2006	Year-on-year Change	
	Interim (Apr.-Sep.)	Interim (Apr.-Sep.)	Increase/Decrease	Increase/Decrease (%)
Electric Power Business	490	375	115	23.4%
Electric Power-Related Businesses (*)	47	65	18	38.3%
Other Businesses(*)	0	2	2	-
Subtotal	537	438	99	18.4%
Eliminations	8	3	6	68.6%
Consolidated	545	441	104	19.1%

Consolidated Cash Flow



▶ Cash outlays from investing activities for FY2006 interim period rose 51.6 billion yen from the same period last year as a result of an increase in preparation for construction at the Ohma Nuclear Power Plant and increased investment in the overseas power generation business.

Ohma Nuclear 1,383MW : Construction scheduled to begin in March 2007

Tenaska Gas Thermal (U.S.A) 830MW : Participated in May 2006 (operating)

▶ Full-year cash outlays from investment activities are expected to exceed 100 billion yen, but we anticipate being able to maintain a positive free cash flow.

(Unit: ¥100 million)

	FY 2005	FY 2006			Year-on-year Change	Main Factors for Change
	Interim	Apr.-Jun.	Jul.-Sep.	Interim		
Operating activities (A)	773	297	429	727	47	Decrease in depreciation expense and others
Investing activities (B)	225	409	332	741	516	Increase in capital investment, other investments and loans
Financing activities	479	60	80	20	459	Decrease in bond redemption and others
Free Cash Flow (A+B)	549	112	97	15	563	

Consolidated Balance Sheet



▶ While total assets grew from the end of FY2005 due to an increase in capital investment, investments and loans for overseas power generation business, our equity ratio improved to 22.6%. (Target : “over 23%” by the end of FY2007)

(Unit: ¥100 million)

	FY2005	FY2006			Change from prior year-end	Main Factors for Change	
	As of Mar. 31	As of Jun. 30	Jul.-Sep. Change	As of Sep. 30			
Assets	Fixed Assets	18,279	18,438	42	18,397	118	
	Electric power business	14,384	14,157	267	13,890	494	Decrease due to progress in depreciation
	Other businesses	283	340	254	594	311	Increase in investment on overseas power generation business
	Construction in progress	1,995	2,295	56	2,351	356	Ohma Nuclear, Isogo New No. 2, etc.
	Investments, etc.	1,616	1,646	85	1,561	54	Decrease due to expanded scope of consolidation
	Current assets	1,368	1,341	70	1,410	42	Increase in cash equivalents, inventory goods, etc.
Total	19,647	19,779	28	19,807	160		
Liabilities	Interest-bearing debt	14,082	14,235	79	14,156	74	Increase due to new borrowings, wider scope of consolidation, etc.
	Other	1,222	1,088	67	1,155	67	Decrease in taxes payable, etc.
	Total	15,304	15,324	12	15,311	7	
Net Assets	Minority interests	12	13	3	10	2	
	Shareholders' equity	4,330	4,442	43	4,485	155	Increase in retained earnings
	Total	4,342	4,455	40	4,495	153	
Grand Total	19,647	19,779	28	19,807	160		
D/E ratio (x)	3.3	3.2		3.2			
Shareholders' equity ratio	22.0%	22.5%		22.6%			

II. Summary of FY2006 Earnings Forecast

FY2006 Consolidated Earnings Forecast



▶ **Comparison with the Initial :**

Operating revenues are expected to climb slightly based on increase in electric power sales in FY2006 interim period.

While, we revised our earnings forecast downward due to an increasing repair expense and others for thermal power.

FY2006 Consolidated Earnings Forecast

	FY 2005 Full-year results	FY 2006		Year-on- year change	(Unit: ¥100 million) comparison with the initial	
		Full-year Forecast (Initial)	Full-year Forecast (Current)		Increase /Decrease	Increase /Decrease (%)
Operating Revenues	6,219	5,580	5,640	579	60	1.1%
Operating Income	1,015	800	750	265	50	△6.3%
Ordinary Income	679	550	520	159	30	5.5%
Net Income	436	350	330	106	20	5.7%

Thermal Power: Trends for Load factor and Repair expense (Non-consolidated)



- ▶ Repair expense are likely to increase in FY2006 as a result of higher load factor for the past few years as well as longer periodic inspections scheduled this fiscal year.

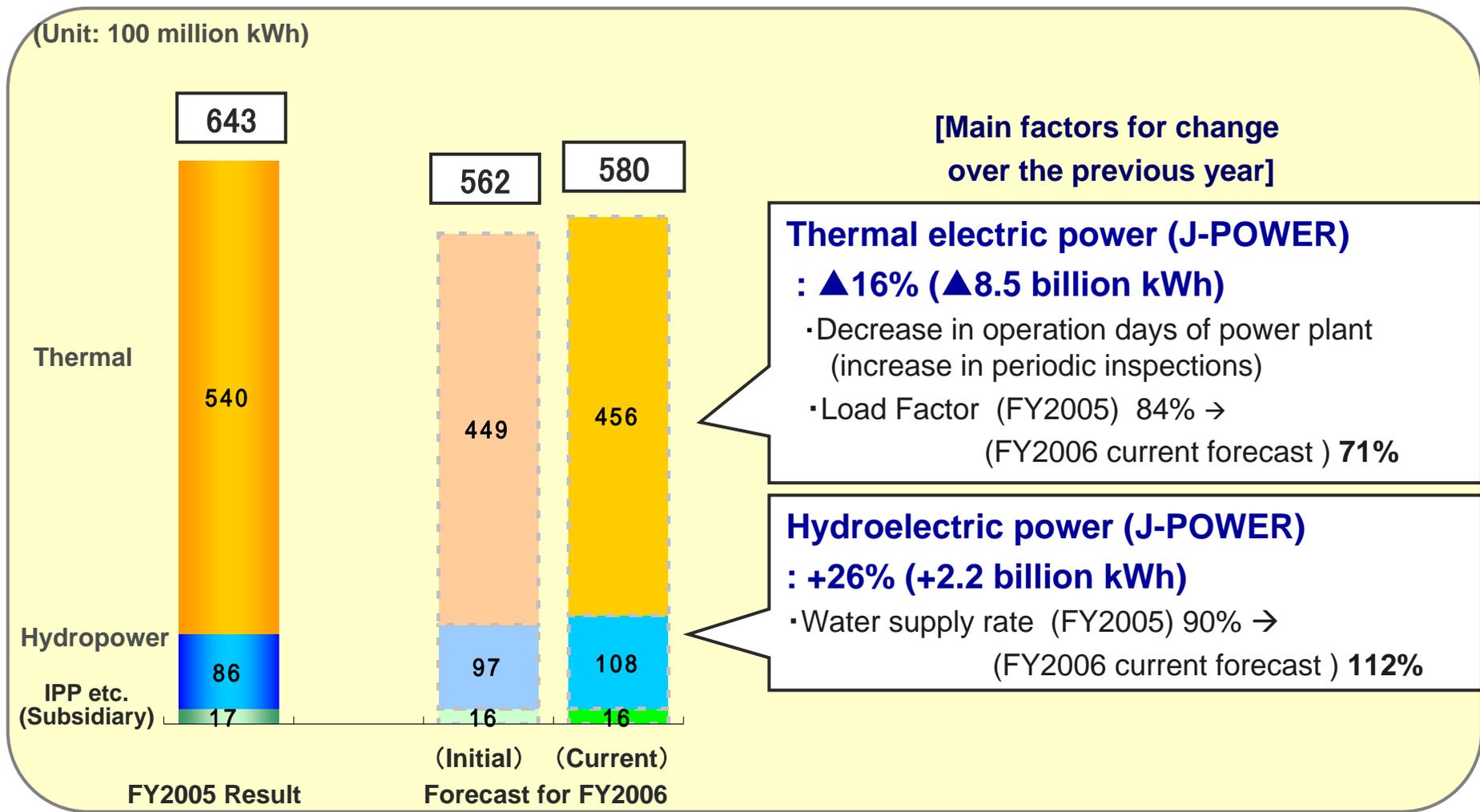
Thermal Power: Trends for Load factor and Repair expense (Non-consolidated)

	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006 Interim result
	Result	Result	Result	Result	Result	
Load factor (%)	66%	71%	75%	77%	84%	(68%)
Total Days of Periodic Inspection (approx)	500	900	500	950	500	(750)
Repair expense (100 million yen)	216	287	194	349	239	(226)

Consolidated Electric Power Sales Forecast



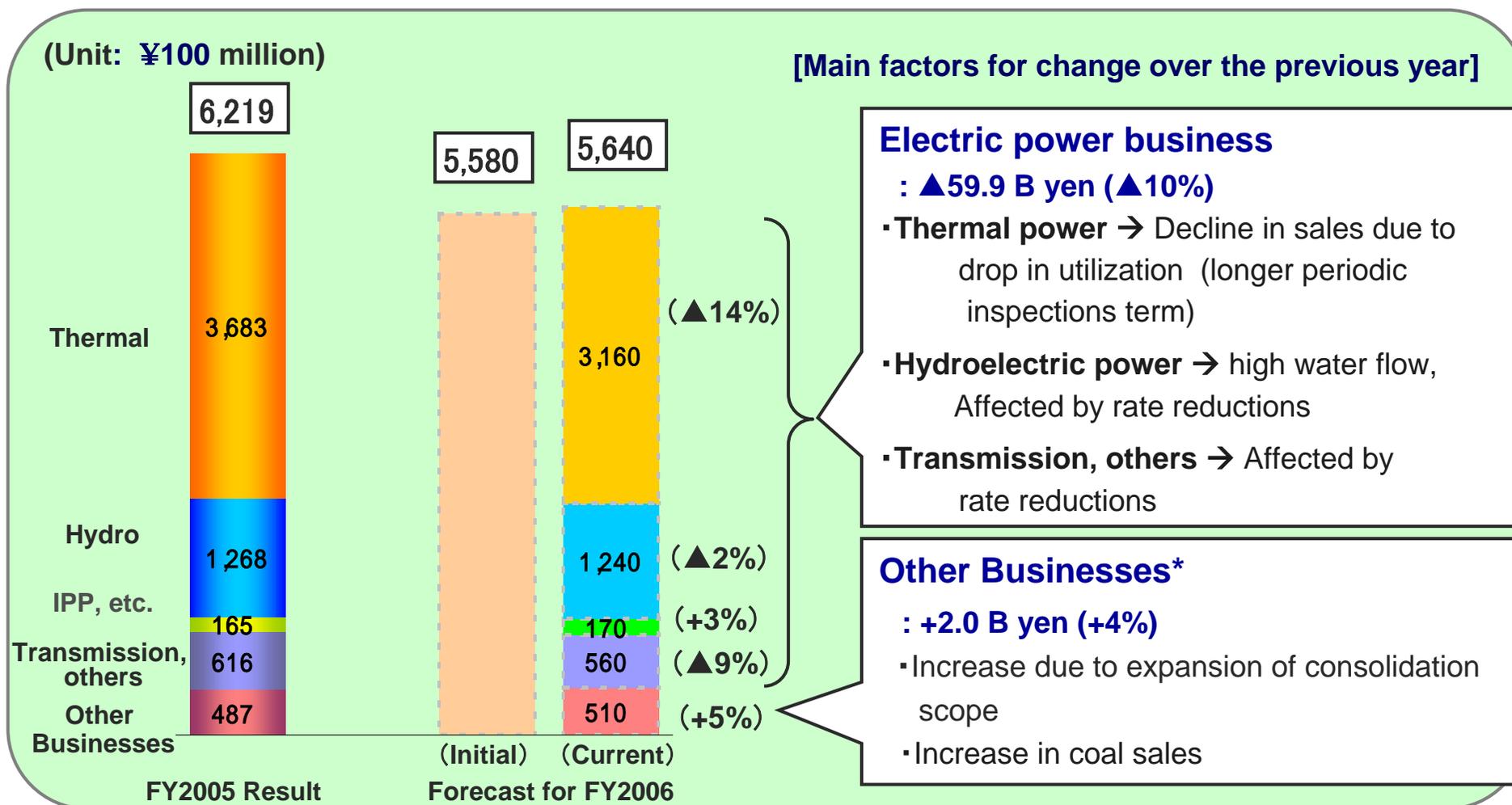
- ▶ Based on interim results, our full-year forecasts have been revised (+3% above the initial plan)
- ▶ ▲10% from the previous year (▲6.3 billion kWh) expected



Consolidated Operating Revenues Forecast



- ▶ Based on interim results, our full-year forecasts have been revised (+1.1% above the initial plan)
- ▶ ▲9.3% from the previous year (▲57.9 billion yen) expected

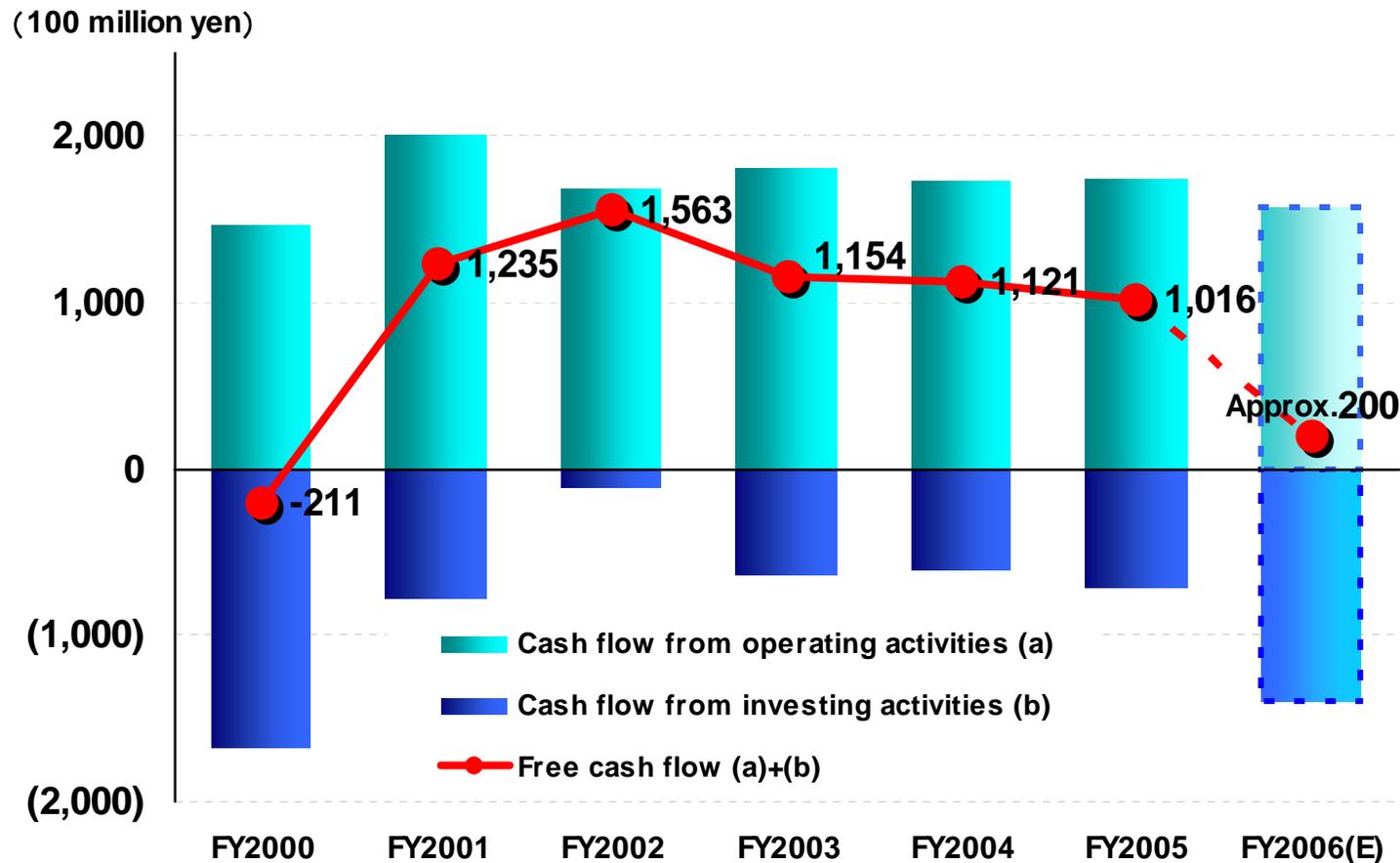


*Other Businesses includes Electric Power-Related Business, defined as a segment from FY2006 interim period. (See Slide 7)

Consolidated: Cash Flow Outlook



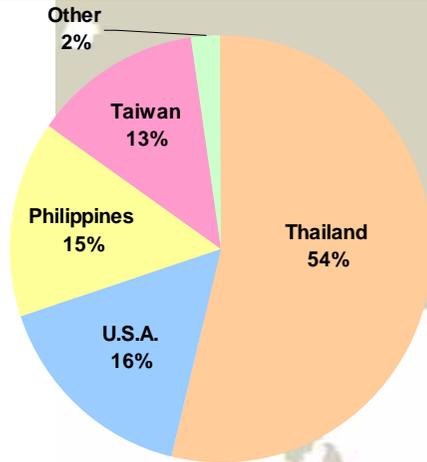
- ▶ Capital investment for Ohma Nuclear and Isogo New No. 2 is expected to remain at planned levels.
- ▶ Increased investment in our overseas power generation business is expected to bring free cash flow to approx. 20 billion yen (initial forecast: 30 billion yen).



Overseas Power Generation Business



**Capacity of Overseas Facilities-
Breakdown by Country
(end of FY2007 forecast)**



Shanxi Tianshi Coalwaste-Fired Power Project
(China, 50MW, 24%)
(Operating)

Chiahui Gas-Fired Power Project
(Taiwan, 670MW, 40%)
(Operating)

Roi-Et Biomass Generation
(Thailand, 9.95MW, 25%)
(Operating)

Participated: FY2004
CBK Hydroelectric Power
(Philippines, 728MW, 50%)
(Operating)

Leyte Geothermal Generation Project
(Philippines, 49MW, 10%)
(Operating)

TLP Cogeneration Gas Cogen Project
(Thailand, 106MW, 20%)
(Operating)

Gulf Electric Projects (49%)
Gulf Cogeneration Gas Cogen
(Thailand, 108MW)
(Operating)

Nong Khae Gas Cogeneration
(Thailand, 112MW)
(Operating)

Samutprakarn Gas Cogeneration
(Thailand, 115MW)
(Operating)

Yala Biomass Generation
(Thailand, 20.2MW)
(Under construction)

Thaioil Power Projects
Gas Cogeneration
(Thailand, 114MW, 19%)
(Operating)
Gas Thermal
(Thailand, 700MW, 11%)
(Operating)

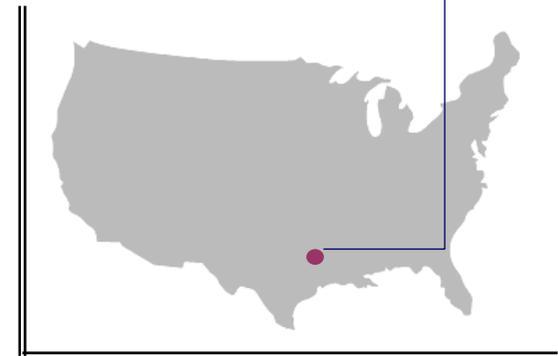
Spain Wind Generation Project (50%)
Monte Seixo-cando
(Spain, 24.42MW)
(Operating)
Serra Do Cando
(Spain, 24.42MW)
(Operating)
Outeiro Do Coto
(Spain, 15.37MW)
(Operating)

Planned in operation(unit1) :FY2006

Kaeng Khoi No.2 Gas-Fired Thermal
(Thailand, 1,468MW)
(Under construction)

Participated: FY2006

Tenaska Frontier Gas-Fired Power
(USA, 830MW, 62%)
(Operating)

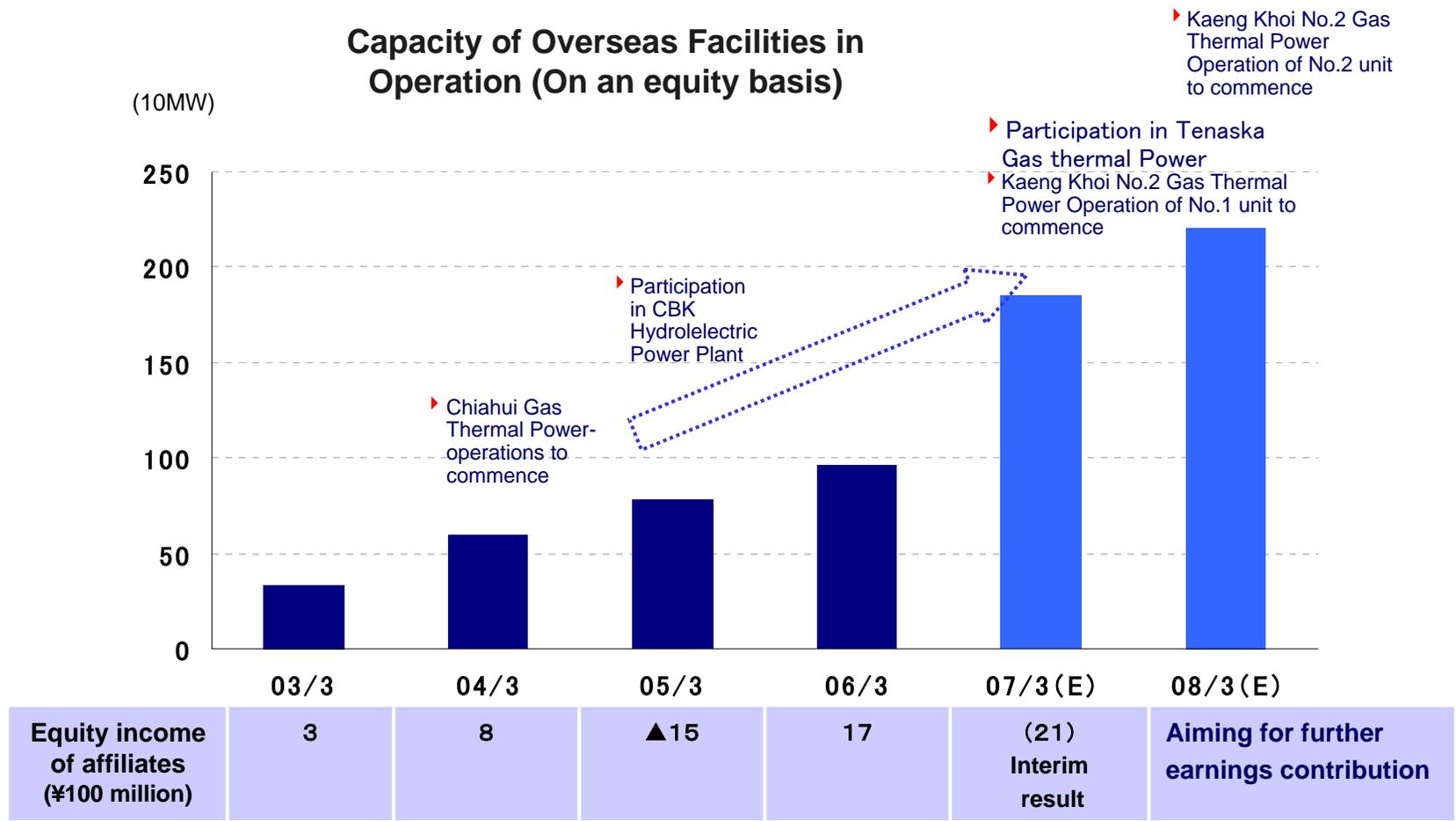


Note : Generation capacity figures shown relate to the entire capacity of respective projects.

Overseas power generation business: Trends & Outlook for Capacity and Earnings



▶ In FY2006, the capacity of overseas power generation (on an equity basis: 1,850 MW) is expected to reach the equivalent of approx. 10% of domestic power generation. Our aim is to make it the next major business domain and a full-fledged earnings contributor.



Management's Targets



▶ Ordinary Income

: 55.0 B yen or higher (Average, FY05-07)

- We will continue to strive toward an enhancement of sales activities and an earnings contribution from our overseas power generation business as well as new businesses so that we can improve performance in FY2007 and pursue a higher level above our target.

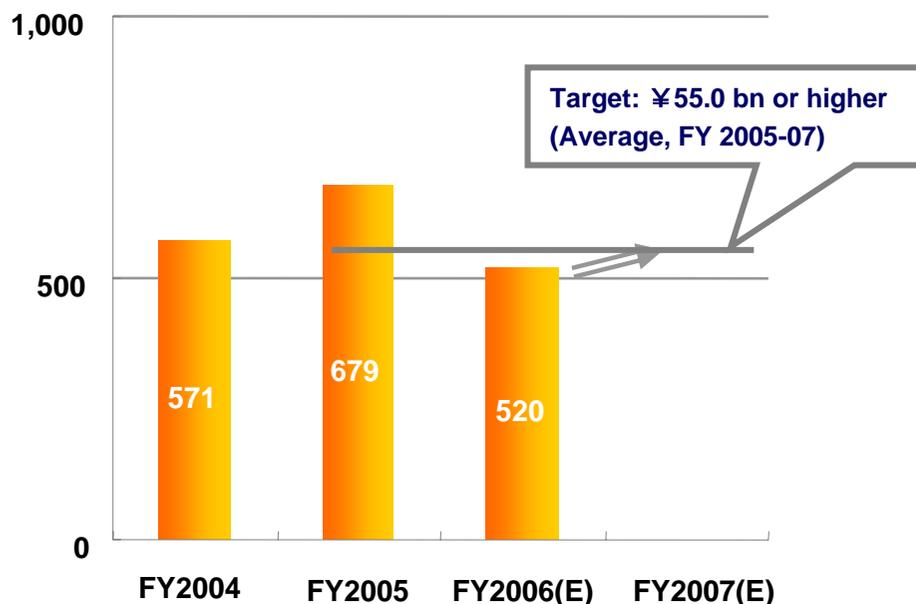
▶ Equity ratio

: 23% or higher (by end of FY 2007)

- Steady progress toward early achievement of our targets. While planning large-scale investments, we will continue to strive for improvements while seeking the appropriate level.

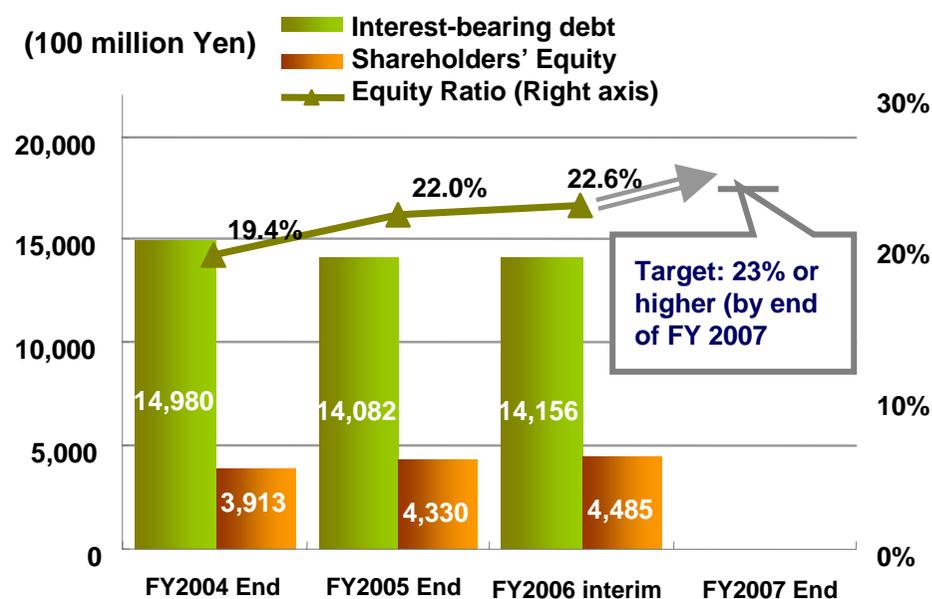
Consolidated Ordinary Income

(100 million Yen)



Consolidated Equity Ratio

(100 million Yen)



III. APPENDIX

【 Wholesale Electric Power Business: Monthly Electricity Sales 】



▶ Thermal Power: Apr.2005 – Mar. 2006 Results

(Cumulative)

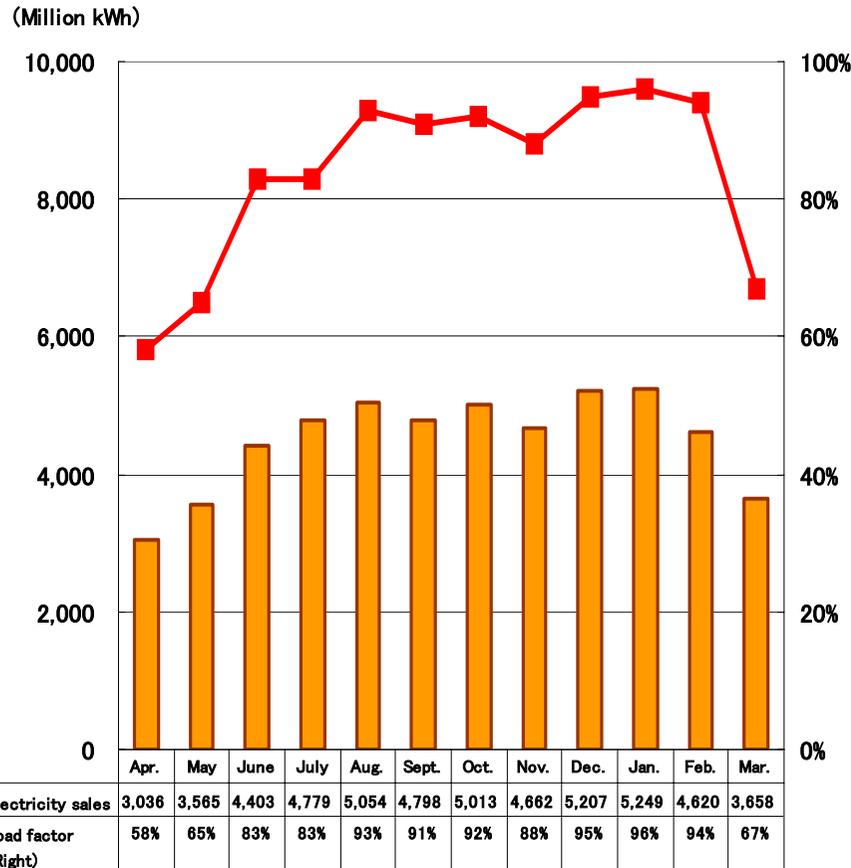
Load factor ⇒ 84%
Electricity sales ⇒ 54.0B kWh

▶ Thermal Power: Apr.– Sep. 2006 Results

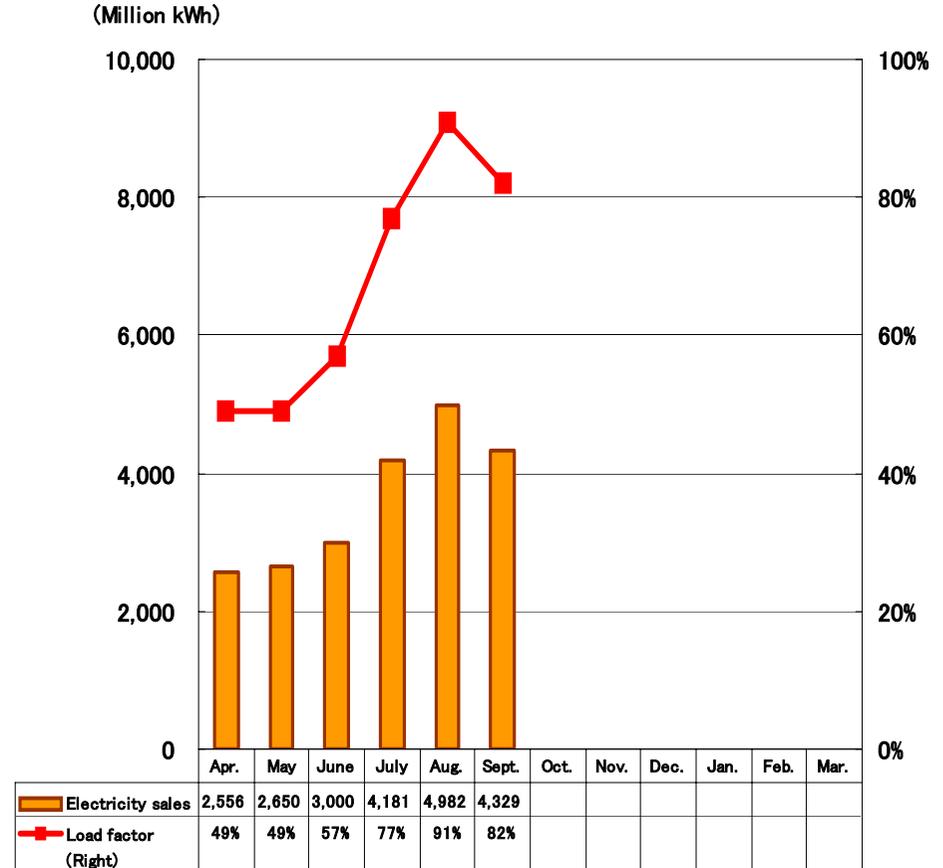
(Cumulative)

Load factor 68 %
Electricity sales 21.7B kWh

Thermal Power: Monthly Electricity Sales



Thermal Power: Monthly Electricity Sales



【 Wholesale Electric Power Business: Monthly Electricity Sales 】



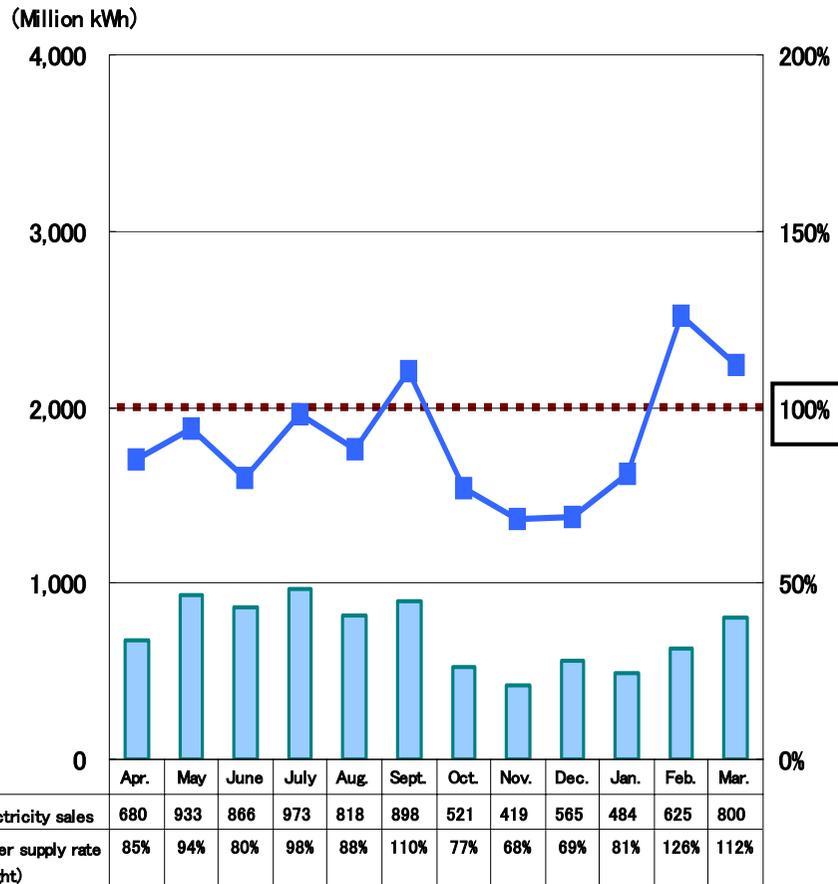
▶ Hydroelectric Power: Apr.2005 - Mar.2006 Results (Cumulative)

Water supply rate ⇒ 90%
Electricity sales ⇒ 8.6B kWh

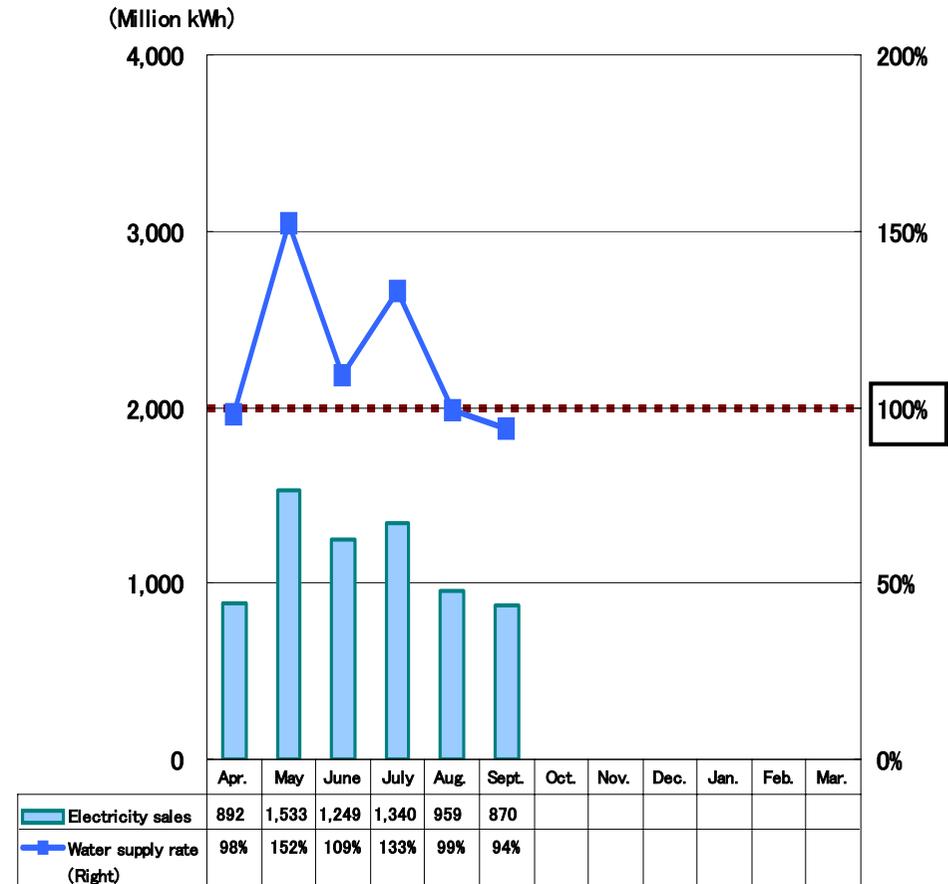
▶ Hydroelectric Power: Apr.- Sep. 2006 Results (Cumulative)

Water supply rate 117%
Electricity sales 6.8B kWh

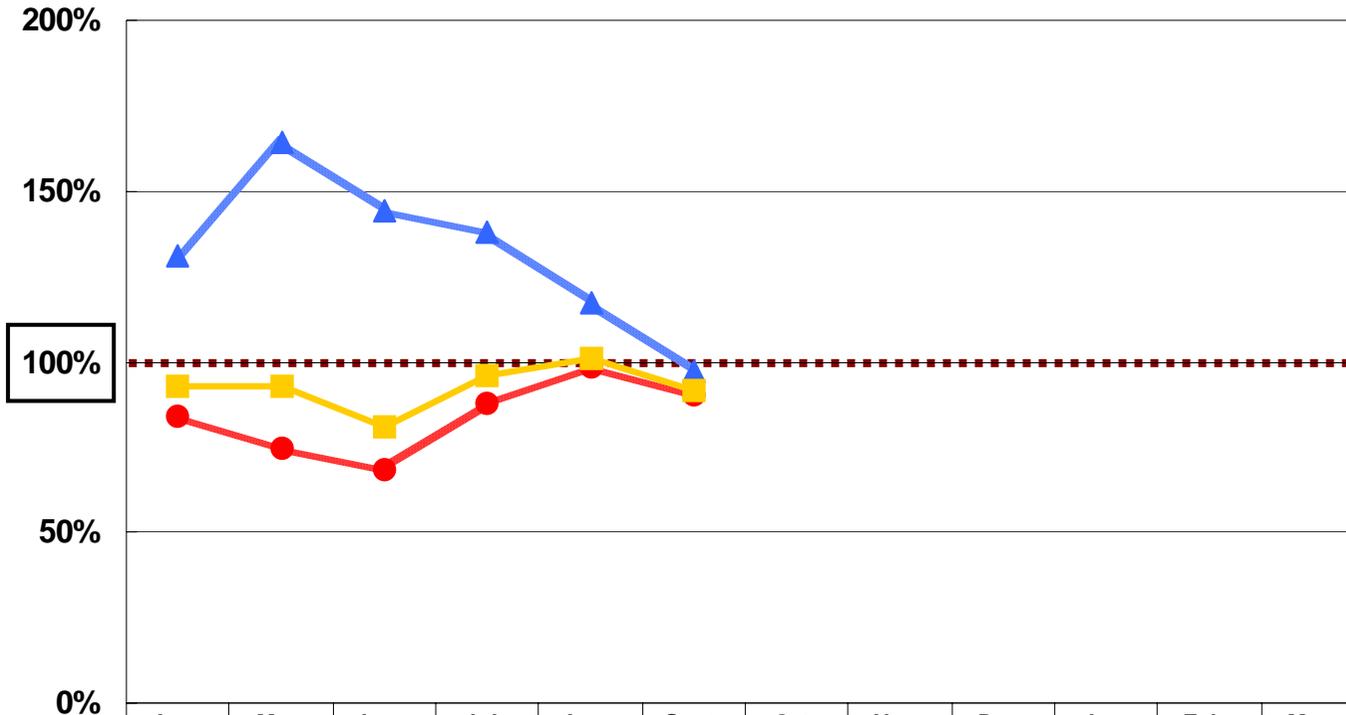
Hydroelectric Power: Monthly Electricity Sales



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.- Sep.
▲ Year-on-year (Hydro)	131%	164%	144%	138%	117%	97%							132%
● Year-on-year (Thermal Power)	84%	74%	68%	87%	99%	90%							85%
■ Year-on-year Total	93%	93%	81%	96%	101%	91%							93%

【 Other Electric Power Businesses: Monthly Electricity Sales 】



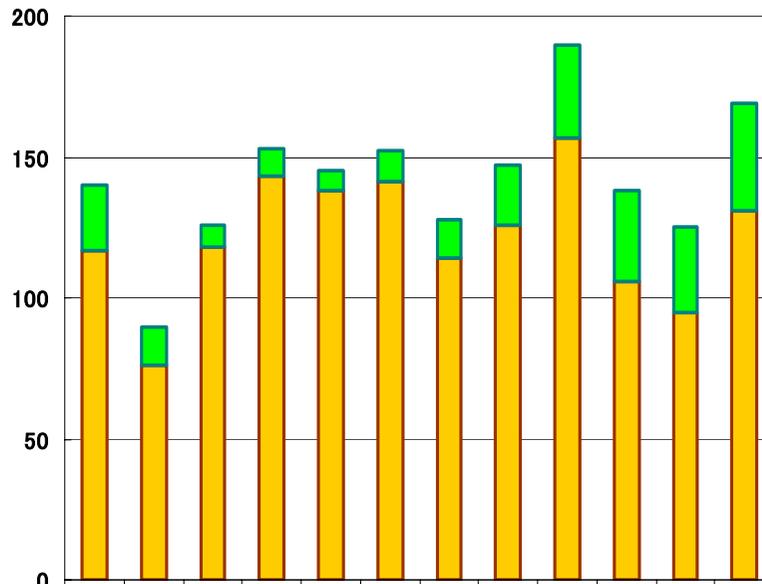
▶ Other Electric Power Businesses (IPP, for PPS, Wind Power):

Total Electricity Sales
(Cumulative Apr.2005 – Mar.2006)
⇒ 1.7 B kWh

Total Electricity Sales
(Cumulative Apr.– Sep. 2006)
0.8 B kWh

Other Electric Power Businesses:
Monthly Electricity Sales

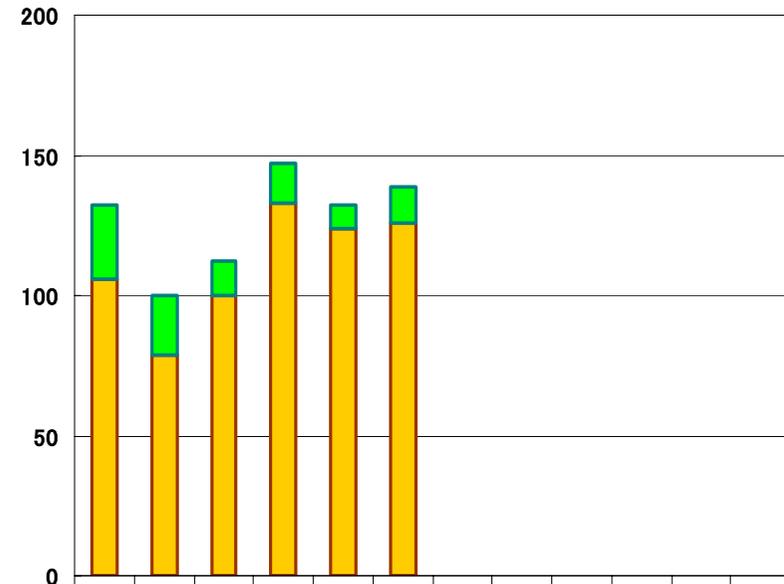
(Million kWh)



Wind Power Electricity Sales	23	14	8	10	7	11	14	21	33	32	30	38
Thermal Power (IPP,for PPS) Electricity Sales	117	76	118	143	138	141	114	126	157	106	95	131

Other Electric Power Businesses:
Monthly Electricity Sales

(Million kWh)



Wind Power Electricity Sales	26	21	12	14	8	13						
Thermal Power (IPP,for PPS) Electricity Sales	106	79	100	133	124	126						

Note: Does not take proportion of equity holdings into account

【Major financial data : Consolidated】



(Unit : ¥100 million)

	FY2002	FY2003	FY2004	FY2005	FY2005 interim	FY2006 interim
《 P L 》						
Operating revenues	5,841	5,699	5,944	6,219	3,054	2,770
(EBITDA)※1	2,713	2,635	2,372	2,365	1,217	1,054
Operating income	1,342	1,321	1,119	1,015	545	441
Ordinary income	355	444	571	679	382	373
Extra ordinary loss	—	—	—	—	—	—
Net income	207	276	356	436	238	236
《 B S 》						
Shareholder's equity	1,683	3,596	3,913	4,330	4,104	4,485
Assets	21,959	20,761	20,217	19,647	19,970	19,807
Interest-bearing debt	18,939	15,929	14,980	14,082	14,595	14,156
《 C F 》						
Cash flows from operating activities	1,674	1,799	1,726	1,739	773	727
Cash flows from investing activities	-110	-645	-606	-723	-225	-741
Cash flows from financing activities	-1,177	-1,475	-1,118	-1,036	-479	-20
FCF ※2	1,563	1,154	1,121	1,016	549	-15
Depreciation	1,371	1,314	1,253	1,350	672	613
Capital expenditures	534	462	509	609	194	405
《Group Employees》※3	6,916	6,367	6,205	5,971	—	—

※1 EBITDA = Operating income + Depreciation

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

※3 "Group employees" includes company employees, directors and employees at our main consolidated subsidiaries, and employees on temporary transfers from consolidated subsidiaries

【Key ratios and Primary data】



【 Key ratios : Consolidated】	FY2002	FY2003	FY2004	FY2005	FY2005 interim	FY2006 interim
Ordinary Income/Operating Revenues(%)	6.1%	7.8%	9.6%	10.9%	12.5%	13.5%
Shareholders' equity ratio(%)	7.7%	17.3%	19.4%	22.0%	20.5%	22.6%
D/E ratio	11.3	4.4	3.8	3.3	3.6	3.2
ROE(%)	12.9%	10.5%	9.5%	10.6%	5.9%	5.4%
ROA(%)	0.92%	1.29%	1.74%	2.20%	1.2%	1.2%
EPS(¥)	291.4	304.9※1	255.0	260.8※2	142.8※2	141.8
BPS(¥)	2,381.7	2,590.0	2,818.0	2,598.9※2	2,463.7※2	2,692.9

※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.

【 Primary data 】	FY2002	FY2003	FY2004	FY2005	FY2005 interim	FY2006 interim
Coal:						
Amount purchase (10 thousand ton)	1,748	1,828	1,969	2,136	—	—
Load factor of coal-fired thermal power plants (%)	71%	75%	77%	84%	80%	68%
Water supply rate (%)	91%	109%	118%	90%	92%	117%
Australian coal price (FOB, US\$) ※1	31.85	26.75	45.00	52.5~54.0	52.5~54.0	52.0~53.0
Average Exchange rate (¥/\$) ※2	122	113	108	113	110	115

※1: Reference price

※2: TTM

【Electric Power sales and revenues, Generation capacity : Consolidated】

	FY2002	FY2003	FY2004	FY2005	FY2005 interim	FY2006 interim
Electric power sales (million kWh)						
Wholesale electric power business	54,429	58,787	60,517	62,627	30,803	28,542
Hydroelectric	8,902	10,850	11,172	8,583	5,168	6,844
Thermal	45,527	47,937	49,345	54,044	25,635	21,698
Other electric power business	–	517	965	1,701	804	763
Total	54,429	59,305	61,483	64,328	31,607	29,305
Electric power revenues (100 million yen)						
Wholesale electric power business	4,736	4,535	4,763	4,951	2,474	2,215
Hydroelectric	1,382	1,358	1,371	1,268	706	668
Thermal	3,354	3,177	3,392	3,683	1,768	1,547
Other electric power business	–	45	87	165	77	81
Transmission	667	634	612	583	306	276
Total	5,403	5,213	5,462	5,698	2,857	2,572
Generation capacity (MW)						
Wholesale electric power business	16,085	16,375	16,375	16,375	16,375	16,380
Hydroelectric	8,261	8,551	8,551	8,551	8,551	8,556
Thermal	7,825	7,825	7,825	7,825	7,825	7,825
Other electric power business	–	134	375	495	483	495
Total	16,085	16,509	16,750	16,870	16,858	16,875

【 Revenues and Expenses : Consolidated 】



(Unit : ¥100 million)

	FY2002	FY2003	FY2004	FY2005	FY2005 interim	FY2006 interim
Operating revenues	5,841	5,699	5,944	6,219	3,054	2,770
Electric power operating revenues	5,458	5,229	5,480	5,732	2,872	2,579
Other operating revenues	383	469	464	487	182	191
Operating expenses	4,499	4,377	4,825	5,204	2,509	2,329
Electric power operating expenses	4,071	3,865	4,317	4,697	2,305	2,116
Personnel expenses	499	422	338	213	149	141
Fuel cost	864	859	1,166	1,608	738	677
Repair expense	362	287	475	387	228	224
Outsourcing expenses	251	262	340	314	141	144
Depreciation and amortization cost	1,340	1,284	1,220	1,315	656	589
Other	754	751	778	860	394	340
Other operating expenses	428	513	508	507	204	213
Operating income	1,342	1,321	1,119	1,015	545	441
Non-operating revenues	32	41	39	76	28	56
Non-operating expenses	1,019	918	587	412	191	125
Interest expenses	871	835	509	357	173	110
Other	148	82	78	54	18	14
Ordinary income	355	444	571	679	382	373



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