

TRANSLATION: Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the Japanese original shall prevail. The English translation omits to render notes to financial statements and the style of translation is not a literal translation but a free translation.

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Securities code: 9513
June 6, 2005

Electric Power Development Co., Ltd. (J-POWER)

Dear Shareholders

Notice of Convocation of the 53rd Ordinary General Meeting of Shareholders

We are pleased to notify you of the 53rd Ordinary General Meeting of Shareholders as detailed below, and look forward to your attendance.

If you are unable to attend, kindly review the attached Reference Materials for Exercising Voting Rights, mark the enclosed proxy voting ballot for or against each Resolution, sign it, and return it to us by mail.

Sincerely,

Yoshihiko Nakagaki
President and Representative Director
Electric Power Development Co., Ltd.
15-1, Ginza 6-chome, Chuo-ku, Tokyo

Details

- 1. Date & Time:** June 29, 2005, 10:00 a.m. (Wednesday)
- 2. Place:** Tokyo Prince Hotel
3-1, Shibakoen 3-chome, Minato-ku, Tokyo

3. Agenda

Items to be Reported

- Item 1: The Business Report, the Balance Sheet, and the Statement of Income for the 53rd fiscal year (April 1, 2004–March 31, 2005)
- Item 2: The Consolidated Balance Sheet and the Consolidated Statement of Income for the 53rd fiscal year (April 1, 2004–March 31, 2005), in addition to the results of the audit of the Consolidated Financial Statements by the company's accounting auditor and the Board of Auditors

Items to be Resolved

Item 1: Approval of the proposed appropriation of retained earnings for the 53rd fiscal year

Item 2: Partial amendment of the Articles of Incorporation

Details of the proposed resolution may be found in the Reference Materials for Exercising Voting Rights.

Item 3: Election of one (1) director

Item 4: Payment of retirement benefit to a retiring director

END

If attending the meeting in person, kindly submit your ballot at the reception desk.

Reference Materials for Exercising Voting Rights

1. Number of total voting rights: 1,388,042

2. Items to be resolved and references

Item 1: Approval of the proposed appropriation of retained earnings for the 53rd fiscal year

Details of this item can be found in the attached 53rd fiscal year report.

The Company recognizes the need to strengthen its financial position, and our basic policy on profit distribution is to continue paying a stable dividend while at the same time increasing internal reserves to enhance the company's fundamentals.

Internal reserves will be used to reduce interest-bearing debt and invest in new business in an effort to continue raising enterprise value.

In view of the foregoing, we propose a per-share dividend of ¥60, identical to last year.

Item 2: Partial amendment of the Articles of Incorporation

1. Reason for the amendment

In conjunction with being listed on the exchange, the Company agreed to have the stock certificates it issues handled by the Japan Securities Depository Center, Inc. in accordance with Act 30 of 1984, i.e. the “Law concerning deposit and transfer of stock certificates”. This leads to possible inconsistency between the nominal shareholder, which would be the Center in this case, and the beneficial shareholders, and necessitates an amendment in the clause concerning beneficial stockholders and the beneficial stockholder register.

2. Details of the amendment.

The details of the changes are as follows.

(Changed portions are underlined)

| Current clause | Proposed changes |
|--|--|
| (Record date) Article 9. The Company shall deem the shareholder having voting rights as recorded or set forth in the register of shareholder at the closing thereof on March 31 of each year to be the shareholder entitled to exercise voting rights at the Ordinary General Meeting of Shareholders for such accounting period. | (Record date) Article 9. The Company shall deem the shareholder <u>(hereinafter, including a beneficial shareholder)</u> having voting rights as recorded or set forth in the register of shareholders <u>(hereinafter, including the register of beneficial shareholders)</u> at the closing thereof on March 31 of each year to be the shareholder entitled to exercise voting rights at the Ordinary General Meeting of Shareholders for such accounting period. |
| 2. (omitted) | 2. (no change) |

Item 3: Election of one (1) director

Following the resignation of Director Youki Kawata on June 15, 2005, the election of one (1) Director is requested.

Director Candidate

| Name (Date of Birth) | Brief Personal History (Representative positions in other companies) | Number of Shares of the Company Held (shares) | |
|----------------------------------|---|--|----------|
| Shinichiro Ota (May 13, 1946) | July 1969 | Joined the Ministry of International Trade and Industry (currently METI) | 0 shares |
| | June 1998 | Director-General of the Environmental Protection and Industrial Location Bureau | |
| | Sep. 1999 | Director-General of the Machinery and Information Industries Bureau | |
| | Jan. 2001 | Director-General of the Commerce and Information Policy Bureau within the Ministry of Economy, Trade and Industry (METI) | |
| | July 2002 | Commissioner of the Japan Patent Office (under the jurisdiction of METI) | |
| | July 2003 | Retirement from the Civil Service | |
| Sep. 2003 | Adviser to Sompo Japan Insurance Inc. (current position) | | |

- Notes: 1. The candidate intends to submit his resignation as an advisor to Sompo Japan Insurance Inc. by the date of the general shareholders' meeting.
2. The candidate has no conflict of interest that would interfere with the execution of his duties for the Company.
3. In accordance with the regulations of the National Civil Service Law, the candidate is not permitted to express his intention to assume the post, and had not done so as of May 23, 2005. However, he is expected to express his intention by the date of the general shareholders' meeting.

Item 4: Payment of retirement benefit to a retiring director

Director Youki Kawata will retire from office on June 15, 2005. To reward him for the services he rendered, the Board of Directors proposes to pay retirement benefit in an amount deemed reasonable in accordance with the rules prescribed by the Company. It is proposed that the details of the terms of the amount, and the time and method of payment be determined by the Board of Directors.

The retiring director's final position in the Company is as follows:

| Name | Brief Personal History |
|--------------|--|
| Youki Kawata | June 2001 Executive Vice President and Representative Director (current position) |

END

Business Report for the 53rd Term

April 1, 2004-March 31, 2005

Electric Power Development Co., Ltd.

I . Operating Results

1. Overview of Operation

During the period under review, the Japanese economy recovered at a modest pace, while weak exports led to inventory adjustments. On the other hand, the economy showed signs of a stable recovery due to improvement of corporate performance including operating revenues and an increase in capital expenditures.

In this business environment, industrial demand for electric power in Japan increased compared to the previous year as a result of demand from large-load customers in the machinery, steel, and chemical industries, reflecting the gradual economic recovery. Consumer demand was also higher, thanks in part to an increase in air conditioning demand due to the record hot summer weather. As a result, combined industrial and consumer electric power demand increased compared to the previous year in fiscal 2004 for the first time in two years.

Under these circumstances, sales of hydroelectric power increased 3.0% to 11.2 billion kWh, as water flows were higher than last year, with the water supply rate rising from 109% to 118%. Thermal power was up 2.9% to 49.3 billion kWh, underpinned by firm demand for electric power. As a result, the quantity of power sold by the company grew to 60.5 billion kWh, a 2.9% increase over the previous year.

Operating revenues for electric power sales in this period grew 4.2% compared to the previous year to ¥540,665 million, reflecting the increase in electric sales volume of hydroelectric and thermal power, though we have lowered our fees for electricity generated at some of our power plants. Operating revenues for incidental business rose 66.9% to ¥6,037 million due to an increase in the revenues of the consulting and coal sales business. As a result, total operating revenue grew 4.6% to ¥546,702 million. Ordinary revenues, which include non-operating revenues, rose 4.8% to ¥550,573 million.

Despite a decline in personnel expenses and progress in fixed-rate depreciation, operating expenses for electric power sales increased 10.5% compared to the previous year to ¥442,754 million due to an increase in fuel expenses caused by high utilization of thermal power plants, an increase in repair expenses as a routine inspections, and total operating expenses including incidental business expenses rose 10.9% to ¥447,964 million. Non-operating expenses fell 37.4% to ¥55,193 million due to a sharp decline in interest expenses, but ordinary expenses rose 2.3% to ¥503,158 million.

As a result, ordinary income increased 41.4% compared to the previous year to ¥47,415 million, and after a provision to the reserve for fluctuation in water levels resulting from the high water flows and income taxes, net profit reached ¥31,266 million, an increase 44.0% compared to the previous year.

2. Issues Facing the Company

The Company achieved full privatization as a result of listing its shares on the First Section of the Tokyo Stock Exchange in October 2004, one year after the repeal of the Electric Power Development Promotion Law, which formed the basis of the Company's founding.

Japan's electric power industry faces a major turning point in the trend toward deregulation due to an expansion in the scope of deregulation in the retail electricity market and the launch of the Japan Electric Power Exchange in April 2005. We expect competition in the electric power industry to grow more intense as a result of these changes.

The Company and its Group are taking the following initiatives in response to this business environment.

(1) Enhancing Competitiveness of Wholesale Power Electricity Business and Maintaining Steady Growth

In light of changes in the business environment, in its main wholesale power business, the Company seeks to raise profitability by enhancing the competitiveness of existing facilities through cost reductions. As part of the Third Phase of the Restructure Plan initiated in fiscal 2001, we have been working to reform the group's management structure, enhance employee efficiency, reduce costs, strengthen our financial position, and achieve other plan objectives as we approach the final year of the plan.

For new facilities, we plan to begin construction of the Isogo New No.2 thermal power plant in Kanagawa Prefecture in August 2005. The new 600MW facility is scheduled to begin commercial operation in July 2009. Additionally, the government is currently conducting a safety review of our plans for the Oma nuclear power plant in Aomori Prefecture. We plan to begin building the 1,383MW facility in August 2006 and commence commercial operations in March 2012. We aim to achieve optimal financing for these major capital expenditures by maintaining construction schedules, reducing construction costs, and appropriately allocating cash flow in raising funds.

(2) Stepping Up Efforts in New Electric Power Businesses and New Areas of Business

In its domestic electric power business, the Company has participated in three wholesale power supply projects to provide 520MW of power to EPCOs, the regional general electric utilities that supply electricity to general retail customers, through IPPs and three wholesale power supply projects to provide 320MW to PPSs. We also hope to help promote the sound development of new wholesale electric power markets by use of the Japan Electric Power Exchange.

In our overseas power generation business, we are participating in 14 IPP projects in five countries and regions, primarily in Asia, where high growth in electric power demand is anticipated. Commercial operations have commenced at 12 of these 14 projects and the output is 2,830 MW. Going forward, we aim to develop our overseas power generation business into a second mainstay business while appropriately managing risk.

The Company is involved in developing wind power energy as a part of its efforts to create new businesses. Seven wind power plants are now operating commercially while two others are still under construction. These facilities will have a combined output of 210 MW. We are also looking to create new profit sources in other areas of business by leveraging the Group's core operational and technological competencies developed during a half century of conducting business both in Japan and overseas.

(3) Responding to Global Warming Issues

As the owner of several coal-fired thermal power plants, the Company is engaged in a wide range of activities to address the problem of global warming. In addition to steady progress on the Oma nuclear power plant, which will provide a carbon dioxide-free source of power, we are also developing wind power, waste power generation, and coal gasification technology and are pursuing projects overseas to give shape to flexibility measures in the Kyoto Protocol, such as Joint Implementation¹ and the Clean Development Mechanism².

The Company has set management targets in "the FY 2005 J-POWER Group Management Plan" with the aim of achieving the objectives outlined in sections (1) through (3) above. The entire Group is working together to enhance its profit-earning capacity by raising efficiency, and to continuously increase enterprise value by expanding its business in areas with growth potential.

1. The Joint Implementation is a mechanism that allows advanced countries to jointly implement projects to reduce emissions, or remove carbon from the atmosphere, and for the investing countries to earn credits from the emission reductions to help achieve their numerical targets.

2. The Clean Development Mechanism allows advanced and developing countries to jointly implement projects to reduce greenhouse gases in the developing country, and for the advanced country to earn credits for a portion of the reductions achieved.

3. Capital Investment

Total capital investment: ¥42,133 million

Major construction projects

| | Power generation facilities |
|--------------------|--|
| Under construction | (Hydroelectric power) Tokuyama Power Plant (153,000 kW) |
| Pre-construction | (Nuclear power) Oma Nuclear Power Plant (1,383,000 kW) |

4. Capital Raised

The company issued corporate bonds and made long-term borrowings as follows for purposes of capital investment and repayment of interest-bearing debt.

| Type | Amount | Remarks |
|----------------------|------------------|-------------------------|
| Corporate bonds | ¥90,000 million | Domestic straight bonds |
| Long-term borrowings | ¥70,000 million | |
| Total | ¥160,000 million | |

5. Trend in Operating Results and Assets

| Item | 50th term FY2001 | 51st term FY2002 | 52nd term FY2003 | 53rd term FY2004 |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| Ordinary revenues (¥million) | 547,733 | 546,209 | 522,595 | 546,702 |
| Ordinary income (¥million) | 36,883 | 27,275 | 33,522 | 47,415 |
| Net income (¥million) | 14,711 | 17,121 | 21,718 | 31,266 |
| Earnings per share (yen) | 208.38 | 241.69 | 240.25 | 224.89 |
| Total assets (¥million) | 2,260,233 | 2,137,705 | 2,004,703 | 1,949,660 |
| Shareholders' equity (¥million) | 141,143 | 153,603 | 338,336 | 370,137 |

Notes: 1. During the 52nd term, on December 18, 2003, the Company increased capital through a third party allocation of 68,208,000 shares.

II. Company Overview (as of March 31, 2005)

1. Primary business

Electric power business

2. Shares

- (1) Total number of shares authorized for issue: 550,000,000
- (2) Total number of shares issued and outstanding: 138,808,000
- (3) Number of shareholders: 62,465
- (4) Major shareholders

| Shareholder name | Number of shares held (thousands) | Equity stake (%) | Investment by the Company in shareholder | |
|---|-----------------------------------|------------------|--|------------------|
| | | | Number of shares held (thousands) | Equity stake (%) |
| Morgan Stanley and Company, Inc. | 14,940 | 10.76 | — | — |
| The Master Trust Bank of Japan, Ltd. (Account in trust) | 6,484 | 4.67 | — | — |
| Mizuho Corporate Bank, Ltd. | 6,315 | 4.55 | — | — |
| Japan Trustee Services Bank, Ltd. (Account in trust) | 5,359 | 3.86 | — | — |
| Nippon Life Insurance Company | 4,885 | 3.52 | — | — |
| Daido Life Insurance Company | 3,048 | 2.20 | — | — |
| Sumitomo Mitsui Banking Corporation | 2,129 | 1.53 | — | — |
| Goldman Sachs International | 1,939 | 1.40 | — | — |
| The Chase Manhattan Bank, NA London, SL Omnibus Account | 1,901 | 1.37 | — | — |
| State Street Bank and Trust Company | 1,898 | 1.37 | — | — |

- Notes: 1. As of March 31, 2005, the Company held 10,000 shares of preferred stock in Mizuho Financial Group, the wholly owning parent company of Mizuho Holdings, which is the wholly owning parent company of Mizuho Corporate Bank.
2. As of March 31, 2005, the Company held 2,876,525 of common stocks (1.19%) of T&D Holdings Corporation, the wholly owning parent company of Daido Life Insurance Company.
3. It has been reported to us by means of a change report related to the report on large holdings dated March 8, 2005 and submitted by Schroder Investment Management (Japan) Limited that the total number of shares held by the investment management companies of the same group is 11,755,600 as of February 28, 2005, but this is not listed in the table above due to the fact that we cannot verify the actual holdings of the company.

3. Acquisition of Company shares for inclusion in treasury stock, and for disposal and holding of shares in treasury

- (1) Shares acquired
Ordinary shares: 481
Acquisition cost: ¥1,482 thousand
- (2) Shares disposed of:
None
- (3) Shares cancelled:
None
- (4) Shareholdings at closing:
481

4. Employees

| Number of employees (charge from end of previous term) | Average age | Average years of service |
|--|-------------|--------------------------|
| 2,144 (Down 242) | 38.3 | 17.8 years |

5. The Company's Group

(1) Major subsidiaries

| Company name | Capital (¥ million) | Equity stake (%) | Major businesses |
|--|------------------------|---------------------|---|
| Green Power Kuzumaki Co., Ltd. (Iwate-gun, Iwate Prefecture) | 490 | 100 | Construction and operation of wind power plants |
| Dream-Up Tomamae Co., Ltd. (Tomamae-gun, Hokkaido Prefecture) | 10 | 100 | Construction and operation of wind power plants |
| Green Power Aso Co., Ltd. (Aso-gun, Kumamoto Prefecture) | 490 | 81 | Construction and operation of wind power plants |
| ITOIGAWA POWER Inc. (Itoigawa City, Niigata Prefecture) | 1,006 | 80 | Electric power supply |
| Nagasaki-Shikamachi Wind Power Co., Ltd. (Kita-matsuura-gun, Nagasaki Prefecture) | 490 | 70 | Construction and operation of wind power plants |
| Nikaho-kogen Wind Power Co., Ltd. (Yuri-gun, Akita Prefecture) | 100 | 67 | Construction and operation of wind power plants |
| J-Wind TAHARA Ltd. (Tahara City, Aichi Prefecture) | 245 | 66 | Construction and operation of wind power plants |
| Ichihara Power Co., Ltd. (Ichihara City, Chiba Prefecture) | 490 | 60 | Electric power supply |
| JPOWER GENEX CAPITAL Co., Ltd. (Chuo-ku, Tokyo) | 570 | 100 | Management of IPP projects |
| Jpec Co., Ltd. (Chuo-ku, Tokyo) | 500 | 100 | Construction, technical development, design, consulting, maintenance and research for thermal and nuclear power plants; unloading and transporting of coal to thermal power plants; sale of flied ash; shipping of coal for thermal power plants; research, construction and maintenance for environmental engineering; research and planning of environmental conservation |
| JPHYTECH Co., Ltd. (Chiyoda-ku, Tokyo) | 500 | 100 | Construction, technical development, design, consulting, maintenance and research for hydroelectric power plants, substations and transmission lines; surveying and compensation of construction sites; civil engineering, construction management and construction services |
| Kaihatsu Denshi Gijutsu Co., Ltd. (Bunkyo-ku, Tokyo) | 110 | 100 | Construction and maintenance of electronic and communications facilities |
| EPDC CoalTech and Marine Co., Ltd. (Chuo-ku, Tokyo) | 20 | 100 (100) | Marine transportation of ash and flied ash from thermal power plants |
| Kaihatsu Sekkei Consultant Co., Ltd. (Nakano-ku, Tokyo) | 20 | 100 | Design and construction management of electric power facilities; engineering and construction |
| J-POWER RESOURCES Co., Ltd. (Chuo-ku, Tokyo) | 1,000 | 100 | Research, exploration and development of, and investments in coal mines |
| J-POWER AUSTRALIA PTY.LTD. (Australia) | 10,000,000 A\$ | 100 (100) | Investments in coal mines in Australia |
| JP Business Service Corporation (Koto-ku, Tokyo) | 450 | 100 | Operation of welfare facilities; facility maintenance; business process outsourcing; development of computer software |
| J-Power Investment Netherlands B.V. Netherlands | 50,000,000 Euro | 100 | Management of overseas investments |

Note: The equity stake values shown in parentheses are indirect holding ratios.

(2) Major affiliated companies

| Company name | Capital | Equity stake (%) | Major businesses |
|--|--------------------|------------------|--|
| Gulf Electric Public Co., Ltd. (Thailand) | 5,874 million baht | 49 | Holding company for thermal power generation companies |
| Thaioil Power Co., Ltd. (Thailand) | 2,810 million baht | 19 | Operation of gas cogeneration facilities |
| SEC HoldCo, S.A. (Spain) | 121 thousand Euros | 50 (50) | Operation of wind power generation facilities |
| GENEX COMPANY, LIMITED Kawasaki City, Kanagawa Prefecture | ¥2.8 billion | 40 (40) | Electric power supply |
| Chiahui Power Corporation (Taiwan) | 4,300 million NT\$ | 40 (40) | Operation of gas combined cycle power plants |
| Gulf Energy Co., Ltd. (Thailand) | 2,022 million baht | 0 [100] | Holding company for thermal power generation companies |
| Gulf IPP Co., Ltd. (Thailand) | 2,021 million baht | 0 [100] | Holding company for thermal power generation companies |
| Gulf Power Generation Co., Ltd. (Thailand) | 1,850 million baht | 0 [100] | Construction and operation of thermal power plants |
| Nong Khae Cogeneration Co., Ltd. (Thailand) | 1,241 million baht | 0 [100] | Operation of gas cogeneration facilities |
| Samutprakarn Cogeneration Co., Ltd. (Thailand) | 981 million baht | 0 [100] | Operation of gas cogeneration facilities |
| Gulf Cogeneration Co., Ltd. (Thailand) | 850 million baht | 0 [100] | Operation of gas cogeneration facilities |
| SPP General Services Co., Ltd. (Thailand) | 900 thousand baht | 0 [100] | Plant service for gas thermal power plants |
| Trang Biomass Co., Ltd. (Thailand) | 250 thousand baht | 0 [100] | Construction and operation of bio-mass power plants |
| Gulf Yala Green Co., Ltd. (Thailand) | 200 million baht | 0 [95] | Construction and operation of bio-mass power plants |
| Independent Power (Thailand) Co., Ltd. (Thailand) | 1,771 million baht | 0 [56] | Operation of gas combined cycle power plants |

Note: The equity stake values shown in parentheses are indirect holding ratios, while those shown in brackets are the ratios held by closely-related parties or parties in agreement.

(3) Changes in corporate relationships

a. Relationship to parent

J-POWER Privatization Fund Co., Ltd., which was previously the Company's parent company, sold its entire shareholding in the Company and ceased to be its parent company when the Company listed its shares on the First Section of the Tokyo Stock Exchange on October 6, 2004.

b. Reorganization of group companies

The Company reorganized group companies on April 1, 2004 in order to step up efforts to advance group-wide operations and reduce costs with the aim of enhancing the competitiveness of the wholesale power business. The following consolidated subsidiaries were affected by this reorganization. Denpatsu Holding Co., Ltd. was absorbed by the Company. EPDC Industrial Co., Ltd. merged with The Kaihatsu Keisan Center Ltd. and the resulting company was named JP Business Service Corporation. Kaihatsu Koji Co., Ltd. absorbed the compensation division of Denpatsu Kankyo Ryokka Center Co., Ltd. and the hydroelectric, transmission, and substation division of Kaihatsu Denki Co., Ltd. and was renamed JPHYTEC Co., Ltd. Kaihatsu Denki Co., Ltd. absorbed the environmental afforestation division of Denpatsu Kankyo Ryokka Center Co., Ltd. and the power plant coal delivery and coal marine transport division of EPDC CoalTech and Marine Co., Ltd. and was renamed JPec Co., Ltd. The Company decided to dissolve Denpatsu Kankyo Ryokka Center Co., Ltd. on April 5, 2004 due to the foregoing reorganization, and its liquidation was completed on June 14, 2004.

6. Major Lenders

| Lender | Loan balance as of the balance sheet date (¥ million) | Shares of the Company held by lender | |
|-------------------------------------|--|--------------------------------------|------------------|
| | | Number of shares held (thousands) | Equity stake (%) |
| Mizuho Corporate Bank, Ltd. | 79,094 | 6,315 | 4.55 |
| Nippon Life Insurance Company | 77,233 | 4,885 | 3.52 |
| Sumitomo Mitsui Banking Corporation | 65,400 | 2,129 | 1.53 |
| The Bank of Tokyo-Mitsubishi Ltd. | 56,380 | 1,749 | 1.26 |
| Norinchukin Bank | 55,168 | 1,717 | 1.24 |

7. Major Facilities

(1) Head Office (Chuo-ku, Tokyo)

(2) Branches: Hokkaido Branch (Sapporo City, Hokkaido Prefecture); Eastern Japan Branch (Kawagoe City, Saitama Prefecture); Central Japan Branch (Kasugai City, Aichi Prefecture); Western Japan Branch (Osaka City, Osaka Prefecture)

(3) Major Power Plants

a. Hydroelectric (100,000 kW or more)

Okutadami, Tagokura, Otori, Shimogo (Fukushima Prefecture); Okukiyotsu, Okukiyotsu #2 (Niigata Prefecture); Numappara (Tochigi Prefecture); Shintoyone (Aichi Prefecture); Sakuma (Shizuoka Prefecture); Miboro (Gifu Prefecture); Nagano (Fukui Prefecture); Tedorigawa #1 (Ishikawa Prefecture); Ikehara (Nara Prefecture); Sendaigawa #1 (Kagoshima Prefecture)
(45 thermal power plants with output under 100,000 kW)

Thermal

Isogo (Kanagawa Prefecture); Takasago (Hyogo Prefecture); Takehara (Hiroshima Prefecture), Tachibana-wan (Tokushima Prefecture); Matsuura, Matsushima (Nagasaki Prefecture); Ishikawa coal-thermal (Okinawa Prefecture), Onikobe Geothermal (Miyagi Prefecture)

8. Directors and Corporate Auditors

The position, name, and responsibilities of each director and corporate auditor as of the end of the term are as follows.

| Position | Name | Responsibility |
|---|---------------------|---|
| President (Representative Director) | Yoshihiko Nakagaki | |
| Executive Vice President (Representative Director) | Youki Kawata | Assistant to the president for businesses described below (Corporate Planning & Administration Dept., Personnel & Employee Relations Dept., Accounting & Finance Dept., General Affairs Dept.) Regional Operations (central and western regions) |
| Executive Vice President (Representative Director) | Hisao Nakagami | Assistant to the president for businesses described below (Business Planning Dept., Technology Development Center, Power Sales Dept., Power System Operation Dept., Nuclear Power Dept., Business Development Dept.,) Regional operations (central and eastern regions) |
| Executive Vice President (Representative Director) | Katsuhiko Miyashita | Assistant to the president for businesses described below (Hydropower & Power Network Dept., Thermal Power Dept., Nuclear Power Dept. (matters under special assignment), International Activities Dept., Engineering Dept.) |
| Executive Managing Director | Akinobu Yasumoto | Business Development Dept. Environmental Administration (matters under special assignment) |
| Executive Managing Director | Kiyoshi Sawabe | Personnel & Employee Relations Dept. General Affairs Dept. Site Administration Regional Management (central region) |
| Executive Managing Director | Masayoshi Kitamura | Corporate Planning & Administration Dept. Power Sales Dept. (matters under special assignment) Procurement Administration Environmental Administration Regional operations (western region) |
| Executive Director | Masashi Hatano | Technology Development Center Thermal Power Dept. |
| Executive Director | Akio Ushio | Accounting & Finance Dept. |
| Executive Director | Yasuo Maeda | Oma Nuclear Power work preparatory to construction (matters under special assignment) (also serving as executive officer; Engineering Department Director) |
| Executive Director | Kanji Shimada | Power Sales Dept. |
| Executive Director | Yoshihiko Sakanashi | Business Planning Dept. Energy Business Dept. |
| Senior corporate auditor | Masayuki Hori | (full-time) |
| Corporate auditor | Takeshi Sone | (full-time) |
| Corporate auditor | Yasuo Matsushita | (external) |

Notes: 1. Yasuo Matsushita is a corporate Auditor as provided for in Article 18, Paragraph 1, of “the Law for special provisions for the Commercial Code concerning Audit, etc. of Joint Stock Corporations.”

2. On June 30, 2004, Katsuhiko Miyashita was promoted from Managing Director to Representative Director and Executive Vice President, and Akinobu Yasumoto, Kiyoshi Sawabe, and Masayoshi Kitamura from Executive Director to Executive Managing Director.

3. Executive Director Takeharu Okitsu retired from the board on June 28, 2004. In addition, on June 30, 2004 the following individuals retired: Yoshihide Yamasaki, Representative Director and Executive Vice President; Masamichi Ono, Tooru Namiki, and Masaaki Tanaka, Executive Managing Directors; Masayuki Hori, Executive Director, and Koichi Fujino, Corporate Auditor.

4. Changes in responsibilities after the closing of accounts for the period

The assignment of responsibilities to board members was changed as follows on April 1, 2005.

| Position | Name | New | Old |
|---|---------------------|---|---|
| Executive Vice President (Representative Director) | Katsuhiko Miyashita | Assistant to the president for businesses described below (Power System Operation Dept., Hydropower & Transmission System Dept., Thermal Power Dept., Nuclear Power Dept. (matters under special assignment), International Activities Dept., Engineering Dept.) | Assistant to the president for businesses described below (Hydropower & Power Network Dept., Thermal Power Dept., Nuclear Power Dept. (matters under special assignment), International Activities Dept., Engineering Dept.) |

9. Amounts paid as compensation to directors and corporate auditors

| Category | Fixed compensation | | Director bonuses approved at the General Meeting of Shareholders | |
|--------------------|--------------------|--------------|--|-------------|
| | Number of officers | Amount paid | Number of officers | Amount paid |
| Directors | 18 | ¥292 million | 15 | ¥49 million |
| Corporate Auditors | 4 | ¥48 million | 3 | ¥6 million |
| Total | 22 | ¥341 million | 18 | ¥55 million |

Notes: 1. The maximum compensation as resolved at the General Meeting of Shareholders is as follows.

Directors: ¥481 million (resolution of the General Meeting of Shareholders dated June 29, 1992)

(not including portion paid as salary when director also serves as employee)

Corporate Auditors: ¥80 million (resolution of the General Meeting of Shareholders dated June 30, 1994)

2. The amounts paid in retirement benefits to retiring directors and a corporate auditor in accordance with a resolution of the General Meeting of Shareholders are as follows.

Directors: 6 individuals, ¥113 million

Corporate Auditors: 1 individual, ¥13 million

3. "Number of officers" includes the six retired directors and one retired corporate auditor for the reporting term.

4. In addition to the above, ¥4 million was paid in salaries to individuals concurrently serving as employees as well as directors.

10. Amounts paid as compensation to accounting auditor

| | Payment amount |
|---|----------------|
| a. Total amount of compensation paid by the Company and its subsidiaries to auditing firms | ¥82 million |
| b. Of the amount in a), total amount of compensation paid for audit verification duties as defined in Article 2, Paragraph 1 of the Certified Public Accountant Law | ¥78 million |
| c. Of the amount in b), amount paid in compensation by the Company to auditing firm for services as accounting auditor | ¥62 million |

Note: Under the Company's contracts with the auditing said firms, amounts paid for auditing under "the Law for special provisions for the Commercial Code concerning Audit, etc. of Joint Stock Corporations" and auditing under the Securities Exchange Law are determined in lump-sum, and as such amounts cannot be distinguished in practice, the Company posts the total amount in c).

NON-CONSOLIDATED BALANCE SHEET

As of March 31, 2005

(Unit: millions of yen)

| | |
|---|-----------|
| (Assets) | |
| Property, Plant and Equipment | 1,856,227 |
| Power plants | 1,545,226 |
| Hydroelectric power production facilities | 494,625 |
| Thermal power production facilities | 691,781 |
| Transmission facilities | 280,726 |
| Transformation facilities | 42,733 |
| Communication facilities | 10,748 |
| General facilities | 24,609 |
| Incidental business-related property, plant & equipment | 399 |
| Non-operating property, plant & equipment | 513 |
| Construction in progress | 174,187 |
| Investments and other assets | 135,901 |
| Long-term investments | 43,186 |
| Long-term investments in affiliated companies | 63,263 |
| Long-term prepaid expenses | 2,730 |
| Deferred tax assets | 26,721 |
| Current assets | 93,432 |
| Cash and bank deposits | 7,505 |
| Accounts receivable | 47,207 |
| Accrued income | 6,667 |
| Inventories | 11,999 |
| Prepaid expenses | 1,122 |
| Short-term loans to affiliated companies | 7,142 |
| Deferred tax assets | 3,346 |
| Other current assets | 8,440 |
| Total assets | 1,949,660 |

As of March 31, 2005

(Unit: millions of yen)

| | |
|---|-----------|
| (Liabilities) | |
| Long-term liabilities | 1,253,566 |
| Bond | 591,171 |
| Long-term loans | 619,495 |
| Long-term accrued liabilities | 956 |
| Accrued employee retirement benefits | 34,409 |
| Other long-term liabilities | 7,533 |
| Current liabilities | 324,157 |
| Current portion of long-term debt and other | 107,593 |
| Short-term loans | 47,000 |
| Commercial paper | 105,000 |
| Accounts payable | 3,446 |
| Accrued accounts | 4,309 |
| Accrued expenses | 10,994 |
| Income and other taxes payable | 18,708 |
| Deposits received | 236 |
| Short-term debt to affiliated companies | 24,857 |
| Advances received | 399 |
| Other current liabilities | 1,610 |
| Reserves under special laws | 1,798 |
| Reserve for fluctuation in water levels | 1,798 |
| Total liabilities | 1,579,522 |
| (Shareholders' equity) | |
| Common stock | 152,449 |
| Capital surplus | 81,852 |
| Additional paid-in capital | 81,852 |
| Retained earnings | 129,979 |
| Legal reserve | 6,029 |
| Voluntary reserve | 74,887 |
| Reserve for loss from overseas investment, etc. | 51 |
| Reserve for special disaster | 14 |
| Exchange-fluctuation preparation reserve | 1,960 |
| General reserve | 72,861 |
| Unappropriated retained earnings at the end of the term | 49,062 |
| Unrealized gain on securities | 5,858 |
| Treasury stock | (1) |
| Total shareholders' equity | 370,137 |
| Total Liabilities and Shareholders' Equity | 1,949,660 |

NON-CONSOLIDATED PROFIT AND LOSS STATEMENT

Year ended March 31, 2005

(Unit: millions of yen)

| | |
|---|---------|
| Ordinary revenues | |
| Operating revenues | 546,702 |
| Electric power | 540,665 |
| Electric power sales to other companies | 476,335 |
| Transmission revenues | 61,194 |
| Other electricity revenues | 3,136 |
| Incidental business revenues | 6,037 |
| Consulting business | 3,375 |
| Coal sales business | 2,473 |
| Other incidental business | 188 |
| Non-operating revenues | 3,871 |
| Financial revenues | 2,683 |
| Dividend income | 1,841 |
| Interest income | 842 |
| Non-business revenues | 1,187 |
| Gain on sale of fixed assets | 16 |
| Other | 1,171 |
| Total ordinary revenues | 550,573 |
| | |
| Ordinary expenses | |
| Operating expenses | 447,964 |
| Electric power | 442,754 |
| Hydroelectric power production expenses | 68,883 |
| Thermal power production expenses | 262,271 |
| Transmission expenses | 32,391 |
| Transformation expenses | 7,577 |
| Selling expenses | 948 |
| Communication expenses | 5,384 |
| General and administrative expenses | 58,229 |
| Enterprise tax | 7,067 |
| Incidental business expenses | 5,210 |
| Consulting business | 2,629 |
| Coal sales business | 2,315 |
| Other incidental business | 264 |
| (Operating income) | 98,738 |
| Non-operating expenses | 55,193 |
| Financial expenses | 51,044 |
| Interest expenses | 50,374 |
| Amortization of bond issue expenses | 621 |
| Amortization of bond issue discount | 48 |
| Non-business expenses | 4,149 |
| Loss on sale of fixed assets | 23 |
| Other | 4,126 |
| Total ordinary expenses | 503,158 |
| | |
| Ordinary income | 47,415 |
| (Provision for) reversal of reserve for fluctuation in water levels | 1,108 |
| Income before income taxes | 46,306 |
| Income taxes - current | 18,151 |
| Income taxes - deferred | (3,111) |
| Net income | 31,266 |
| Retained earnings brought from previous term | 17,190 |
| Unappropriated retained earnings | 49,062 |

Changes to Accounting Policies

Accounting standards related to impairment losses on fixed assets

Accounting standards related to impairment losses on fixed assets (“Statement of Position on the Setting of Accounting Standards Related to Impairment Losses on Fixed Assets,” (Business Accounting Council, August 9, 2002)) and “Application Guidelines for Accounting Standards Related to Impairment Losses on Fixed Assets,” (Guideline No. 6 of Application Guidelines for Business Accounting Standards, October 31, 2003) became applicable to financial statements for the fiscal year ending March 31, 2004 (these accounting standards are mandatory from the fiscal year ending March 31, 2006), and, therefore, these accounting standards and guidelines have been applied from the fiscal year ending March 31, 2005. The effect of this change was to decrease income before income taxes by 1.347 billion yen.

Please note that impairment losses comprising the cumulative total have been written off directly from the respective assets.

Proposed Appropriation of Retained Earnings

Year ended March 31, 2005

(Unit: yen)

| | |
|---|----------------|
| Retained earnings | 49,062,278,790 |
| Transfer from the reserve for losses on overseas investment | 468,642 |
| Total | 49,062,747,432 |
| Appropriations are made as follows | |
| Dividends (¥ 60 per share) | 8,328,451,140 |
| Bonuses to directors and corporate auditors | 50,600,000 |
| [to corporate auditors] | [6,710,000] |
| Transfer from the reserve for overseas investment | 5,523,914 |
| Reserve for special disasters | 4,179,840 |
| General reserve | 20,000,000,000 |
| Balance to be carried forward | 20,673,992,538 |

Independent Auditors' Report

The Board of Directors
Electric Power Development Co., Ltd.

May 6, 2005

Ernst & Young Shin Nihon

Ikuzo Komatsu

Designated and Engagement Partner
Certified Public Accountant

Nobutaka Motohashi

Designated and Engagement Partner
Certified Public Accountant

Satoshi Tamai

Designated and Engagement Partner
Certified Public Accountant

In accordance with Article 2(1) of “The Law for special provisions for the Commercial Code concerning Audits, etc. of Joint Stock Corporations,” we have audited the balance sheet, the statement of income, the accounting matters stated in the business report, the proposal for appropriation of retained earnings and the accounting matters stated in the supplementary schedules of Electric Power Development Co., Ltd. applicable to the 53rd fiscal year from April 1, 2004 to March 31, 2005. The accounting matters which we have audited in the business report and the supplementary schedules were derived from the accounting books and records of the Company and its subsidiaries. These financial statements and the supplementary schedules are the responsibility of the Company’s management. Our responsibility is to independently express an opinion on these financial statements and the supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards, procedures and practices generally accepted and applied in Japan. Those standards, procedures and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and the supplementary schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules. We believe that our audit provides a reasonable basis for our opinion. Our audit included procedures applied to the accounts of the Company's subsidiaries as considered necessary.

As a result of our audit, it is our opinion that:

- a) the balance sheet and the statement of income present properly the Company's financial position and the results of its operations in accordance with the related regulations and the Articles of Incorporation,

as stated in "Change of Accounting Policies." with effect from the start of reporting period (i.e. April 1, 2005), the Company has adopted impairment accounting standards for fixed assets (the Business Accounting Council on Aug. 9, 2002). In our opinion, the adoption of impairment accounting is appropriate.

- b) the accounting matters stated in the business report present properly the Company's affairs in accordance with the related regulations and the Articles of Incorporation,
- c) the proposal for appropriation of retained earnings is presented in accordance with the related regulations and the Articles of Incorporation, and
- d) there is nothing to point out as to the accounting matters stated in the supplementary schedules in accordance with the provisions of the Commercial Code.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Law.

Board of Corporate Auditors' Report

Having been reported by each Corporate Auditor on the methods and results of the audit in regard to the performance of duties by the Directors of Electric Power Development Co., Ltd. (the "Company") for the 53rd fiscal year (from April 1, 2004 to March 31, 2005), the Board of Corporate Auditors of the Company prepares this audit report on deliberation and reports as follows:

1. Outline of the auditing methods used by the Corporate Auditors

Each Corporate Auditor, according to, inter alia, the audit standards, the audit policy and the audit plan set up by the Board of Corporate Auditors, has attended meetings of the Board of Directors and other meetings as deemed important, as well as having received from Members of the Board of Directors, etc. reports on the execution of their duties, perused the documents whereby the important decisions were made, and examined business and financial conditions at the head office and principal operating offices. As for the subsidiaries of the Company, we examined their business and financial conditions, having received explanations from Members of the Board of Directors, etc., as well as having asked the subsidiaries for reports on their business conditions. In addition, we received reports and explanations from the Independent Accountants on their audit and examined the statutory report and the supplementary schedules.

With respect the competitive transactions of the Members of the Board of Directors, conflict-of-interest transactions between the Company and the Members of the Board of Directors, benefits without compensation furnished by the Company, irregular transactions with subsidiaries or shareholders and acquisition and disposal, etc., of treasury stocks, we have examined these matters by means of methods such as conducting a full investigation of related records, in addition to the auditing methods mentioned above.

2. Results of the audit

- (1) We confirm that the auditing methods and results made by Ernst & Young Shin Nihon the auditing corporation, are appropriate.
- (2) We confirm that the business report accurately describes the situation of the Company in accordance with all relevant laws and regulations and the Articles of Incorporation.
- (3) With respect to the proposed appropriation of unappropriated retained earnings, we confirm that there is no matter to be disclosed in light of the state of the Company's assets or other circumstances.
- (4) The supplementary schedules present fairly the information required, and we confirm that there is no other matter to be disclosed.
- (5) With respect to the performance of the Members of the Board of Directors' duties, including those associated with the Company's subsidiaries, we confirm that there has been no improper act committed, nor important violation of applicable laws and regulations or the Articles of Incorporation.

In addition, with respect to the competitive transactions of the Members of the Board of Directors, conflict-of-interest transactions between the Company and the Members of the Board of Directors, benefits without compensation furnished by the Company, irregular transactions

with subsidiaries or shareholders and acquisition and disposal, etc., of treasury stocks, we confirm that there has been no breach of the Members of the Board of Directors' responsibilities.

May 12, 2005

Masayuki Hori
Senior Corporate Auditor (Full-time)

Takeshi Sone
Corporate Auditor (Full-time)

Yasuo Matsushita
Corporate Auditor

Note: Yasuo Matsushita is a Corporate Auditor as provided for in Article 18, Paragraph 1, of "the Law for special provisions for the Commercial Code concerning Audit, etc. of Joint Stock Corporations."

CONSOLIDATED BALANCE SHEET

As of March 31, 2005

(Unit: millions of yen)

| | |
|---|-----------|
| (Assets) | |
| Property, Plant and Equipment | 1,890,001 |
| Power plants | 1,547,374 |
| Hydroelectric power production facilities | 499,017 |
| Thermal power production facilities | 686,072 |
| Internal combustion power generation facilities | 10,071 |
| Transmission facilities | 276,661 |
| Transformation facilities | 41,605 |
| Communication facilities | 9,985 |
| General facilities | 23,961 |
| Other property, plant & equipment | 27,877 |
| Construction in progress | 170,613 |
| Investments and other assets | 144,135 |
| Long-term investments | 95,031 |
| Deferred tax assets | 46,150 |
| Other investments | 2,954 |
| Allowance for doubtful accounts | (1) |
| Current assets | 131,654 |
| Cash and bank deposits | 30,351 |
| Notes and accounts receivable | 52,150 |
| Short-term investments | 1,551 |
| Inventories | 13,158 |
| Deferred tax assets | 5,083 |
| Other current assets | 29,383 |
| Allowance for doubtful accounts | (24) |
| Total assets | 2,021,655 |

As of March 31, 2005

(Unit: millions of yen)

| | |
|--|-----------|
| (Liabilities, Minority Interests and Shareholders' Equity) | |
| Long-term liabilities | 1,286,912 |
| Bond | 591,171 |
| Long-term loans | 639,929 |
| Accrued employee retirement benefits | 45,729 |
| Other allowances | 460 |
| Deferred tax liabilities | 314 |
| Other long-term liabilities | 9,307 |
| Current liabilities | 340,405 |
| Current portion of long-term debt and other | 111,163 |
| Short-term loans | 50,750 |
| Commercial paper | 105,000 |
| Notes and accounts payable | 11,053 |
| Income and other taxes payable | 21,783 |
| Other allowances | 90 |
| Deferred tax liability | 0 |
| Other current liabilities | 40,562 |
| Reserves under special laws | 1,798 |
| Reserve for fluctuation in water levels | 1,798 |
| Total liabilities | 1,629,115 |
| Minority interests | 1,212 |
| (Shareholders' equity) | |
| Common stock | 152,449 |
| Capital surplus | 81,849 |
| Retained earnings | 152,121 |
| Unrealized gain on other securities | 6,207 |
| Foreign currency translation adjustments | (1,299) |
| Treasury stock | (1) |
| Total shareholders' equity | 391,327 |
| Total Liabilities, Minority Interests and Shareholders' Equity | 2,021,655 |

CONSOLIDATED STATEMENTS OF INCOME

Year ended March 31, 2005

(Unit: millions of yen)

| | |
|---|---------|
| (Revenues) | |
| Operating revenues | 594,375 |
| Electric power | 547,960 |
| Other | 46,414 |
| Non-operating revenues | 3,880 |
| Dividend income | 1,241 |
| Interest income | 846 |
| Other | 1,792 |
| Total Ordinary Revenues | 598,255 |
| (Expenses) | |
| Operating expenses | 482,489 |
| Electric power | 431,678 |
| Other | 50,810 |
| (Operating income) | 111,885 |
| Non-operating expenses | 58,673 |
| Interest expenses | 50,881 |
| Investment loss on equity method | 1,311 |
| Other | 6,479 |
| Total Ordinary Expenses | 541,162 |
| Ordinary income | 57,093 |
| (Provision for) reversal of reserve for fluctuation in water levels | 1,108 |
| Income before income taxes and minority interests | 55,984 |
| Income taxes - current | 22,909 |
| Income taxes - deferred | (2,511) |
| Minority interests or losses | 27 |
| Net income | 35,559 |

Changes to Accounting Policies

Accounting standards related to impairment losses on fixed assets

Accounting standards related to impairment losses on fixed assets (“Statement of Position on the Setting of Accounting Standards Related to Impairment Losses on Fixed Assets,” (Business Accounting Council, August 9, 2002)) and “Application Guidelines for Accounting Standards Related to Impairment Losses on Fixed Assets,” (Guideline No. 6 of Application Guidelines for Business Accounting Standards, October 31, 2003) became applicable to financial statements for the fiscal year ending March 31, 2004 (these accounting standards are mandatory from the fiscal year ending March 31, 2006), and, therefore, these accounting standards and guidelines have been applied from the fiscal year ending March 31, 2005. The effect of this change was to decrease income before income taxes by 1.959 billion yen.

Please note that impairment losses comprising the cumulative total have been written off directly from the respective assets.

Independent Auditors' Report

The Board of Directors
Electric Power Development Co., Ltd.

May 16, 2005

Ernst & Young Shin Nihon

Ikuzo Komatsu

Designated and Engagement Partner
Certified Public Accountant

Nobutaka Motohashi

Designated and Engagement Partner
Certified Public Accountant

Satoshi Tamai

Designated and Engagement Partner
Certified Public Accountant

In accordance with Article 19-2(3) of “The Law for special provisions for the Commercial Code concerning Audits, etc. of Joint Stock Corporations,” we have audited the consolidated balance sheet and the consolidated statement of income of Electric Power Development Co., Ltd. and consolidated subsidiaries applicable to the 53rd fiscal year from April 1, 2004 to March 31, 2005. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards, procedures and practices generally accepted and applied in Japan. Those standards, procedures and practices require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion. Our audit included procedures applied to the accounts of the Company’s subsidiaries as considered necessary.

As a result of our audit, it is our opinion that the consolidated balance sheet and the consolidated statement of income present properly the consolidated financial position of the Company and consolidated subsidiaries and the consolidated results of their operations in accordance with the related regulations and the Articles of Incorporation.

As stated in “Change of Accounting Policies.” with effect from the start of reporting period (i.e. April 1, 2005), the Company has adopted impairment accounting standards for fixed assets (the Business Accounting Council on Aug. 9, 2002). In our opinion, the adoption of impairment accounting is appropriate.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Law.

Board of Corporate Auditors' Report (consolidated)

May 20, 2005

Having been reported by each Corporate Auditor on the methods and results of the audit in regard to the Consolidated Financial Statements, this is the consolidated balance sheet and the consolidated statement of income, of Electric Power Development Co., Ltd. (the "Company") for the 53rd fiscal year from April 1, 2004 to March 31, 2005, the Board of Corporate Auditors of the Company prepares this audit report on deliberation and reports as follows:

1. Outline of the auditing methods used by the Corporate Auditors

Each Corporate Auditor, according to, inter alia, the audit standards, the audit policy and the audit plan set up by the Board of Corporate Auditors audited the Consolidated Financial Statements on deliberation, having received reports and explanation from Directors, etc. and Corporate Auditors.

2. Results of the audit

We confirm that the auditing methods and results made by Ernst & Young Shin Nihon, the auditing firm, are appropriate.

Masayuki Hori
Senior Corporate Auditor (Full-time)

Takeshi Sone
Corporate Auditor (Full-time)

Yasuo Matsushita
Corporate Auditor

Note: Yasuo Matsushita is a Corporate Auditor as provided for in Article 18, Paragraph 1, of "the Law for special provisions for the Commercial Code concerning Audit, etc. of Joint Stock Corporations."