

*TRANSLATION: This is an English translation of the Japanese original, prepared only for the convenience of shareholders residing outside Japan. Please note that the notes to the financial statements are abbreviated in this translation. The original Japanese version will prevail should there be any difference in the meaning between the English version and the Japanese version. ELECTRIC POWER DEVELOPMENT CO., LTD. does not guarantee the accuracy and/or the completeness of the translation and shall have no liability for any errors or omissions therein.*



June 1, 2009

Dear Shareholder:

Yoshihiko Nakagaki,  
President and Representative Director  
Electric Power Development Co., Ltd. (J-POWER)  
15-1, Ginza 6-chome, Chuo-ku, Tokyo  
(Securities code: 9513)

### **Notice of the 57th Ordinary General Meeting of Shareholders**

You are cordially invited to attend the 57th Ordinary General Meeting of Shareholders of Electric Power Development Co., Ltd. (the Company), which will be held as described hereunder.

If you are unable to attend the meeting, you may exercise your voting rights in writing or by electronic means (the Internet, etc.). Please review the appended “Reference Materials for the General Meeting of Shareholders” and exercise your voting rights no later than 5:30 p.m. on Wednesday, June 24, 2009, Japan time.

#### Notice

**1. Date & Time:** 10:00 a.m., Thursday, June 25, 2009

**2. Place:** Tokyo Prince Hotel  
3-1, Shibakoen 3-chome, Minato-ku, Tokyo

### **3. Agenda:**

#### **Matters to be reported:**

1. Business Report and Consolidated Financial Statements for the 57th fiscal year (from April 1, 2008 to March 31, 2009), in addition to reports on the audit of the Consolidated Financial Statements by the Independent Auditor and the Board of Corporate Auditors
2. Non-consolidated Financial Statements for the 57th fiscal year (from April 1, 2008 to March 31, 2009)

#### **Matters to be resolved:**

- Proposal 1.** Appropriation of Surplus
- Proposal 2.** Partial Amendments to the Articles of Incorporation
- Proposal 3.** Election of Fourteen (14) Directors
- Proposal 4.** Election of One (1) Corporate Auditor

### **4. Instructions for Voting:**

#### **(1) Attending the General Meeting of Shareholders**

If you are intending to attend the General Meeting of Shareholders in person, please present the enclosed Exercise of Voting Rights Form to the reception desk upon your arrival.

#### **(2) Voting by Proxy**

If you are unable to attend the General Meeting of Shareholders in person, you may still vote by appointing a proxy who is a shareholder of the Company entitled to exercise voting rights (or if the shareholder is a corporation, an employee of the corporation). Please have your proxy submit a written document certifying the authority of proxy to the reception desk.

#### **(3) Voting in Writing (by mail)**

Please indicate your vote for or against each of the proposals on the enclosed Exercise of Voting Rights Form, and return the form to us.

#### **(4) Exercise of Voting Rights Electronically**

To exercise your voting rights via the Internet, please refer to the attached "Procedure for Exercising Voting Rights via the Internet" (abbreviated in this translation). Shareholders participating in the ICJ's Electric Voting Platform for institutional investors may vote using that platform.

#### **(5) Handling of Duplicate Votes**

If you cast multiple voting both by mail and by electronic means, the vote submitted by electronic means shall be deemed valid. If you exercise your voting rights on the same proposal more than once by the same method, the vote submitted last shall be deemed valid.

**(6) Method to Inform Shareholders of Changes in the Reference Materials for the General Meeting of Shareholders, etc.**

Should any amendments to the appended Reference Materials for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements, and Consolidated Financial Statements arise under any unavoidable circumstances, we will inform you of such amended matters by posting them on the Company website.  
(<http://www.jpowers.co.jp/english>)

(Attachments)

**BUSINESS REPORT (from April 1, 2008 to March 31, 2009)**

**I. Items Regarding Status of Group Operations**

**1. Overview of Operations**

During this fiscal year, the Japanese economy has continuously faced severe conditions which worsened rapidly over the second half, while the impact of the global financial crisis triggered by the U.S. subprime mortgage problems has become even clearer to the real economy, resulting in a decrease in exports, etc.

Meanwhile, the demand for electric power in Japan has decreased substantially compared to the level of the previous fiscal year, due to a rapid decline in industrial demand since last autumn.

Sales volume of hydroelectric power in our wholesale electricity supply business for this fiscal year increased by 1.2% year on year to 8.3 billion kWh, attributable to the water flow rate\* higher than the previous year (from 85% to 88%), although the fiscal year had a low water flow, the same as the previous fiscal year. In contrast, sales volume of thermal power decreased by 6.4% year on year to 49.1 billion kWh, due to a decline in the utilization rate. As a result, the total sales volume of hydroelectric and thermal power in our wholesale electricity supply business shrank 5.3% year on year to 57.5 billion kWh for this fiscal year.

Sales volume of other electric power businesses declined 3.9% year on year to 1.6 billion kWh, mainly due to a decline in the utilization rate at power plants for PPSs (power producer and suppliers). As a result, sales volume of the overall electric power businesses for this fiscal year declined 5.3% year on year to 59.1 billion kWh.

Despite the water flow rate higher than the previous year and the improved sales volume mentioned above, sales (operating revenues) of hydroelectric power in our wholesale electricity supply declined during this fiscal year, mainly affected by the revised rates for hydroelectric and transmission contract, effective from September 2007. For the thermal power in our wholesale electricity supply, although its sales volume declined due to the lower utilization rate, overall sales increased thanks to a rise in the unit sales price along with the higher fuel costs. As a result, the total sales increased by 19.9% year on year to 704.9 billion yen. Non-operating revenues declined 38.3% to 13.2 billion yen, due mainly to the absence of disposal gains such as the sale of the wind power generation company in Spain in the previous fiscal year. Therefore, ordinary income posted a 17.9% year-on-year increase to 718.2 billion yen.

Meanwhile, operating expenses rose 20.6% year on year to 647.8 billion yen, due to increases in repair expenses for the periodic inspections at thermal power plants, fuel expenses along with a coal price rise, and personnel expenses for the calculation of retirement benefit obligation. As a result, total ordinary expenses including non-operating expenses increased by 19.8% year on year to 678.6 billion yen for this fiscal year.

As a result of the above, ordinary income for the fiscal year declined 7.6% year on year to 39.5 billion yen. In addition, distribution from the dissolution of anonymous association was posted as an extraordinary income, upon the Company's acquisition of the beneficiary trust right to the land and structure of the headquarters in trust. For the extraordinary loss, there was a loss on valuation of

securities, an impairment loss due to the drastic decline in the market price of marketable securities. Therefore, net income for this fiscal year declined 33.6% year on year to 19.4 billion yen.

\* “Water flow rate” means a percentage of water inflow volume during this fiscal year against the average volume of the past water inflows. A value greater than 100% is referred to as a high water flow and less than 100% a low water flow.

## **2. Current Challenges**

### **(1) Efforts Towards New Growth**

The business environment surrounding the J-POWER Group has been affected by growing impact of three mutually-related factors: deepening economic uncertainty, weakening demands for electric power, and increasing needs to address the issue of global warming.

- **Deepening economic uncertainty**

The bursting of financial bubbles has brought negative impacts on the real economy, expanding across borders and industries at an inconceivably rapid pace. Although the resource price declined from the past abnormal upturn, there is still a possibility of substantial price fluctuation in the future.

- **Weakening demands for electric power**

The domestic demand for electric power has weakened amid the global economic downturn, posting the largest drop in decades. In addition, the trend of decreasing population and the improvement of energy efficiency are likely to keep the demand for electric power weak for the mid- to longer-term.

- **Increasing needs to address the issue of global warming**

The Japanese government is currently working on its mid-term emission reduction target through the global warming initiatives. Responding to emerging social demands involved in the creation of a low carbon society, we should seek ways to address the climate change challenges as an electric power supplier.

With these challenges in mind, the J-POWER Group has adopted the “FY2009 J-POWER Group Management Plan,” outlined in (a) through (e) below, to build a solid foundation and to continuously promote long-term stable growth.

#### **(a) Steady Improvement of Power Generation Facilities**

Currently the J-POWER Group owns and operates domestic power generation facilities that generate approximately 17 GW of power, and transmission and substation facilities that cover a distance of 2,400 km, linking all parts of Japan to a stable power supply. Further, the Isogo New No. 2 Thermal Power Plant (located in Kanagawa Prefecture, 600MW) has started its trial operation, and will commence full operation this summer. In addition, the Oma Nuclear Power Plant project (located in Aomori Prefecture and planned to commence full operation in November 2014 with an output of 1.383 GW) has received the first

regulatory approval in May 2008, and is currently under construction. Identifying safety as our top priority in these large-scale investment projects, we make our utmost efforts to enhance our capability to provide a reliable and economical source of power.

### **(b) Technological Innovation and New Project Development**

Given the increased demand for taking serious measures to address global warming, it is important for the J-POWER Group, which owns and operates a large number of coal-fired thermal power plants, to continuously strive for higher power generation efficiency and the deployment of low-carbon emission generation, aiming for a good balance between energy usage and preservation of the environment.

Currently, we are taking several measures from a mid- and long-term viewpoint. The mid-term goal is to improve generation efficiency and reduce the CO<sub>2</sub> unit emissions, through the adoption of the highest level technologies in the ageing coal-fired thermal power plants, such as the ultra-supercritical pressure power generation technology (\*1) and mixed burning of biomass fuels. In addition, we plan to upgrade our facilities to improve efficiency at the ageing hydroelectric power plants.

The long-term goal is to build a next-generation coal-fired thermal power plant with innovative new technologies. We have been promoting the development of integrated gasification combined cycle (IGCC) technologies through cooperation with Chugoku Electric Power Co., Inc. by planning and conducting a large-scale joint testing project. We have also been actively working on the improvement of CO<sub>2</sub> capture technology, thereby contributing to a fundamental reduction in the CO<sub>2</sub> unit emissions.

### **(c) Enhancing the Value of Business Assets**

In the long-term perspectives, we strive to optimize the maintenance of facilities in our core operation, which is the wholesale electricity supply business.

To achieve this target, we focus on capital expenditure to upgrade existing facilities, hence reducing longer-term facility maintenance costs; internalization of technology by increasing the scope of self-manufacturing at J-POWER including group companies and affiliated companies; further sophistication of maintenance techniques by introducing the condition-based maintenance as well as the risk-based maintenance (\*2); and streamlining of the resource procurement through centralizing data and purchasing.

By taking steps toward such improvements, we aim to strengthen the reliability of our power plant facilities while enhancing our competitiveness in supplying power.

### **(d) Global Business Expansion**

Our overseas business has centered on utilizing the human resources, technologies and networks in countries where we have developed joint technological partnerships such as in Southeast Asia, particularly Thailand, where the growth for the demand for electric power is

healthy. We have also partnered with 7 other countries and regions, specifically the US and China, to plan and implement 26 IPP projects, 21 of which are currently fully operational (J-POWER holds about a 3 GW share of the power output).

We continue to work steadily towards the completion of existing projects, by applying to the business our extensive experience and human resources that have been accumulated from years of power generation activities in Japan. In addition, we are making every effort to ensure a fail-safe, stable operation while promoting the projects. We also strive to expand our business strategies focusing on the growth potential of the entire Asian market and cultivating a new market through an up-dated business model, thereby achieving the expansion of our business network and further contributing to the generation of profit for the J-POWER Group.

### **(e) Power Generation as the Core of Diversified Business**

We are aggressively seeking business diversification, embedding our power generation business as a core competence. We especially focus on businesses contributing to the CO<sub>2</sub> emission reduction, and aim to expand our total wind power generating capacity in both domestic and overseas markets up to 500MW in the medium term as well as to enhance efficient use of biomass fuel.

Other than the power generation business, we are also providing services such as the construction and management of water plants and sewage treatment facilities under a PFI/PPP scheme (\*3), and engineering support in the dry-type desulfurization/denitrification system (Regenerative Activated Coke Technology, ReACT) in addition to the coal businesses such as coal trading and coal mine investment projects, and wholesale electricity trading at the electricity exchanges.

## **(2) Strengthening Fundamental Corporate Structure**

To achieve our business targets by the efforts outlined in (a) through (e) above, we have established a corporate governance system which consists of the Board of Directors and the Board of Corporate Auditors (including 3 Outside Auditors). In addition, we plan to introduce an Outside Director and establish a new position of the Chairman, to reinforce the supervisory function. While further strengthening our governance system along with changes in the business environment, we continue to promote the “Compliance Promotion Action Program” to earn greater trust within society, to foster the integrity of our corporate culture and to raise awareness of the importance of compliance among each staff member.

Moreover, we try to improve our financial position, even under these difficult funding circumstances, for the continuous expansion and upgrading of our facilities for the future. The establishment of a good personnel system is also one of our top priorities. We aim to provide every member of staff with a comfortable working environment where they can work for many years as a professional without any discrimination of age or rank.

We believe that these efforts are essential in order to ensure a solid foundation for future growth.

- \*1 Ultra-supercritical pressure power generation technology: A new technology to enhance the efficiency of thermal power plants by applying higher steam temperature and pressure conditions than those of conventional supercritical turbines.
- \*2 Condition-based maintenance/Risk-based maintenance: Both are methods of maintenance planning; the condition-based maintenance can be conducted through monitoring the condition of facilities and identifying the degree of deterioration, while the risk-based maintenance through assessing the degree of damage in case of equipment failure and its incidence rate.
- \*3 PFI/PPP scheme: The Private Finance Initiative (PFI) is a method of providing funds through a public-private partnership (PPP) for capital investments in public infrastructure projects. The public sector commissions one or more private sector companies to provide financial, operational, and technical know-how supports involving in design, construction, operation and maintenance of public infrastructures.

### 3. Capital Investment

Total Capital Investment                      172.128 billion yen

Primary Construction Projects

Category	Power Generation Facility
Under Construction	(Thermal Power) Isogo New No.2 Thermal Power Plant                      (600,000kW)
	(Nuclear Power) Oma Nuclear Power Plant    (1,383,000kW)

\*The Company has transferred the main operation of Tokuyama Power Plant Project to Chubu Electric Power Co., Ltd. as of October 10, 2008.

### 4. Financing Activities

The following corporate bond issuance and long-term loans have been made in order to fund capital investment and pay down interest-bearing debt.

Category	Amount	Remarks
Corporate Bonds	115,000 million yen	Domestic straight bonds
Long-term Loans	9,803 million yen	
Total	124,803 million yen	

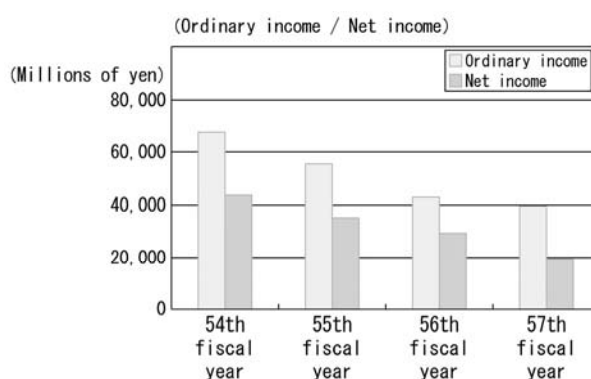
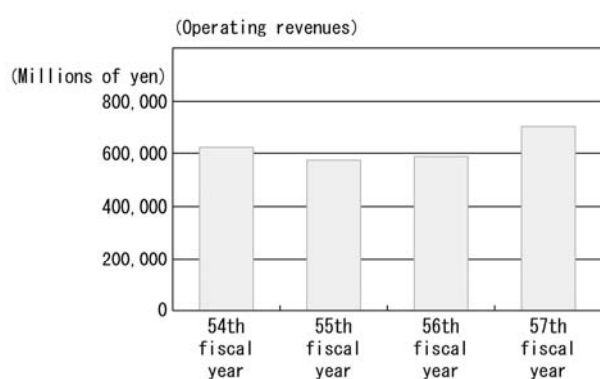


## 5. Trend in Assets and Profit/Loss

### (1) Trend in Assets and Profit/Loss (Consolidated)

Category	54th fiscal year (FY2005)	55th fiscal year (FY2006)	56th fiscal year (FY2007)	57th fiscal year (FY2008)
Operating revenues (millions of yen)	621,933	573,277	587,780	704,936
Ordinary income (millions of yen)	67,906	55,513	42,873	39,599
Net income (millions of yen)	43,577	35,167	29,311	19,457
Earnings per share (yen)	260.76	211.14	175.99	121.65
Total assets (millions of yen)	1,964,667	1,999,794	2,013,131	2,005,469
Net assets (millions of yen)	433,028	462,654	468,118	382,112

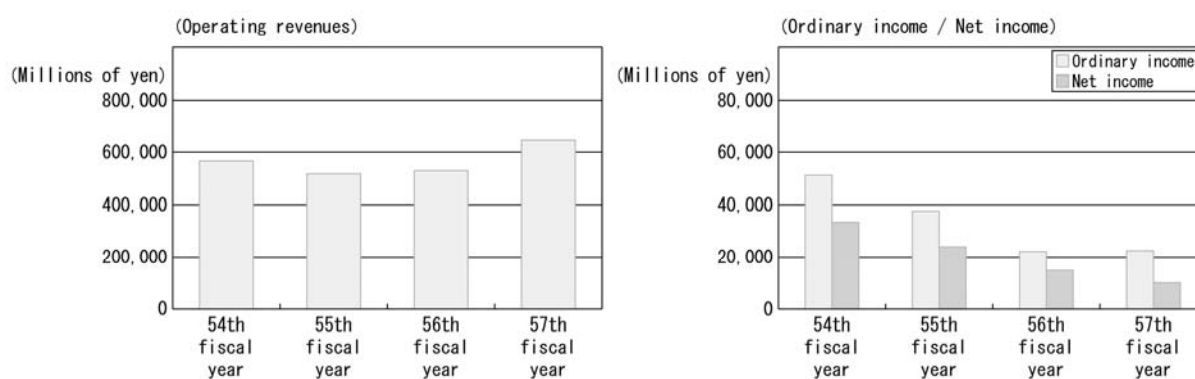
- Notes: 1. Figures reflect application of the “Accounting Standard for Current Net Profit Per Share” (ASBJ Statement No. 2, the latest revision on January 31, 2006) and the “Policy for Applying the Accounting Standard for Current Net Profit Per Share” (ASBJ Guidance No. 4, the latest revision on January 31, 2006).
2. Figures for the 54th fiscal year reflect a 1:1.2 stock split carried out on March 1, 2006.
3. Figures for the 55th fiscal year reflect application of the “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Statement No. 5, the latest revision on March 27, 2009) and the “Policy for Applying the Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Guidance No. 8, the latest revision on March 27, 2009).



## (2) Trend in Assets and Profit/Loss (Non-consolidated)

Category	54th fiscal year (FY2005)	55th fiscal year (FY2006)	56th fiscal year (FY2007)	57th fiscal year (FY2008)
Operating revenues (millions of yen)	566,016	517,273	529,250	645,850
Ordinary income (millions of yen)	51,234	37,540	22,083	22,395
Net income (millions of yen)	33,382	23,897	14,761	10,026
Earnings per share (yen)	200.08	143.48	88.63	62.68
Total assets (millions of yen)	1,888,333	1,893,678	1,910,290	1,910,592
Net assets (millions of yen)	398,717	411,789	404,842	336,594

- Notes: 1. Figures reflect application of the “Accounting Standard for Current Net Profit Per Share” (ASBJ Statement No. 2, the latest revision on January 31, 2006) and the “Policy for Applying the Accounting Standard for Current Net Profit Per Share” (ASBJ Guidance No. 4, the latest revision on January 31, 2006).
2. Figures for the 54th fiscal year reflect a 1:1.2 stock split carried out on March 1, 2006.
3. Figures for the 55th fiscal year reflect application of the “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Statement No. 5, the latest revision on March 27, 2009) and the “Policy for Applying the Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Guidance No. 8, the latest revision on March 27, 2009).



## 6. Principal Areas of Operation (as of March 31, 2009)

The J-POWER Group is comprised of three business segments, centered on its main electric power business. The other segments are the “electric power-related businesses,” which complement the electric power business and contribute to its smooth and efficient operation, and “other businesses,” which utilize the management resources and expertise of the J-POWER Group.

Segment	Principal Areas of Activity
Electric Power Business	Wholesale electricity supply business, other electric power businesses
Electric Power-Related Businesses	Design, installation, inspection, and repair of power generation equipment for power plants; operation of port facilities for fuel and coal ash; coal mine development; coal importing and transport; management of welfare facilities; computer services
Other Businesses	Investment in overseas power generation; waste-fueled power generation; thermal and electric supply systems; environment-related businesses; information technology; domestic and overseas engineering, consulting

A brief overview of income and expenditures (before deletion of internal transactions between segments) is provided below.

### (Electric Power Business)

Although sales for thermal power declined in the wholesale electric supply business, the total sales increased by 21.8% year on year to 651.5 billion yen. This increase was mainly due to an increase in unit sales price accompanying a rise in fuel prices.

Meanwhile, operating income increased by 11.8% year on year to 44.6 billion yen as a result of strong sales, despite increases in repair expenses for the periodic inspections at thermal power plants, fuel expenses along with a coal price rise, and personnel expenses for the calculation of retirement benefit obligation.

### (Electric Power-Related Businesses)

Sales from the electric power-related businesses reached 352.8 billion yen, an increase of 23.5% year on year, mainly due to an increase in periodic inspections.

Operating income increased by 11.2% year on year to 11.5 billion yen, thanks mostly to a strong result in sales.

### (Other Businesses)

Sales from other businesses increased by 4.1% year on year to 36.4 billion yen. This increase was supported by a strong revenue growth from coal sales.

Operating income, however, posted 300 million, a decrease of 500 million yen year on year, mainly due to an increase in cost of sales.

## 7. Principal Subsidiaries (as of March 31, 2009)

### (1) Electric Power Business

Company Name	Capital (millions of yen)	Equity Share (%)	Primary Areas of Business
Bay Side Energy Co., Ltd.	2,400	100	Electric power supplier
Green Power Kuzumaki Co., Ltd.	490	100	Wind power facilities construction and operation
Green Power Awara Co., Ltd.	310	100	Wind power facilities construction and operation
Green Power Setana Co., Ltd.	100	100	Wind power facilities construction and operation
Green Power Koriyama-Nunobiki Co., Ltd.	100	100	Wind power facilities construction and operation
Dream-Up Tomamae Co., Ltd.	10	100	Wind power facilities construction and operation
Green Power TOKIWA Co., Ltd.	250	95	Wind power facilities construction and operation
Yuya Wind Power Co., Ltd.	10	90	Wind power facilities construction and operation
Green Power Aso Co., Ltd.	490	81	Wind power facilities construction and operation
ITOIGAWA POWER Inc.	1,006	80	Electric power supplier
Minami Kyushu Wind Power Co., Ltd.	20	80	Wind power facilities construction and operation
Nagasaki-Shikamachi Wind Power Co., Ltd.	490	70	Wind power facilities construction and operation
Nikaho-kogen Wind Power Co., Ltd.	100	67	Wind power facilities construction and operation
J-Wind TAHARA, Ltd.	245	66	Wind power facilities construction and operation
Ichihara Power Co., Ltd.	600	60	Electric power supplier
J-Wind IROUZAKI Co., Ltd.	200	52	Wind power facilities construction and operation
Sarakitomanai Wind Power Co., Ltd.	30	49	Wind power facilities construction and operation

### (2) Electric Power-Related Businesses

Company Name	Capital (millions of yen)	Equity Share (%)	Primary Areas of Business
JPOWER GENEX CAPITAL Co., Ltd.	100	100	Management of IPP joint venture projects
JPec Co., Ltd.	500	100	Construction, engineering, design, consulting, and maintenance inspections for thermal and nuclear power plants; shipping of coal for thermal power plants, sales of flied ash, and marine transport of coal fuel for electricity generation; study, implementation, and maintenance management of forestation landscaping; environmental protection studies and planning
JPHYTEC Co., Ltd.	500	100	Engineering, design, consulting, and maintenance inspections for hydroelectric power plants and transmission & substation facilities; real estate indemnity, land surveying, civil engineering work, general architecture, project management
J-POWER EnTech Co., Inc.	120	100	Engineering of equipment for removal of atmospheric and water pollutants
Kaihatsu Denshi Gijutsu Co., Ltd.	110	100	Installation and maintenance of electronic and communications equipment
Kaihatsu Sekkei Consultant Co., Ltd.	20	100	Civil engineering, general architecture, power generation facility design, project supervision
EPDC CoalTech and Marine Co., Ltd.	20	100 (100)	Marine transport of coal ash, fly ash, etc.
J-POWER AUSTRALIA PTY.LTD.	21 (million AUD)	100	Investment in overseas coal mine development projects
J-POWER RESOURCES Co., Ltd.	450	100	Coal imports, sales, transportation, etc.
JP Business Service Corporation	450	100	Operation of public welfare facilities; building maintenance; administrative, labor, and accounting services; computer software development

### (3) Other Businesses

Company Name	Capital (millions of yen)	Equity Share (%)	Primary Areas of Business
J-Power Investment Netherlands B.V.	70 (million USD)	100	Management of overseas investments
Jie Pawa Electric Power Development (Beijing) Limited	6 (million RMB)	100	Development and management of overseas projects and business services
J-POWER North America Holdings Co., Ltd.	1 (USD)	100	Management of overseas investments
J-POWER Holdings (Thailand) Co., Ltd.	10,174 (million bahts)	100 (100)	Management of overseas investments
J-POWER Generation(Thailand)Co., Ltd.	39 (million bahts)	100 (100)	Management of overseas investments
J-POWER USA Investment Co., Ltd.	29 (USD)	100 (100)	Management of overseas investments
J-POWER USA Development Co., Ltd.	1 (USD)	100 (100)	Research and development of overseas investments
Omuta Plant Service Co., Ltd.	50	100	Operation and maintenance of waste-fueled power plants
FWM Investment Co., Ltd.	100	51	Management of investments for carrying out water supply business
Fresh Water Miike Co., Ltd.	48	51 (51)	Water supply and ancillary businesses
Japan Network Engineering Co., Ltd.	50	100	Telecommunications; operation and maintenance of telecommunications facilities
Kaihatsu Hiryou Co., Ltd.	450	100	Production and sales of coal ash-based fertilizer

- Notes:
1. Equity share in parentheses indicates the level of indirect holdings.
  2. The Company has 74 consolidated subsidiaries, including the major subsidiaries above, and 67 affiliates accounted for by the equity method.
  3. Upon resolution of the Board of Directors on July 31, 2008, the Company has completed the acquisition of the management of overseas coal mine investments business and the management of coal e-market business of J-POWER RESOURCES Co., Ltd., a wholly-owned subsidiary of the Company, through a company split as of October 1, 2008.

**8. Principal Business Locations** (as of March 31, 2009)

**(1) The Company's Principal Offices and Power Plants**

(a) Offices

Office Name		Location
Head Office		Chuo-ku, Tokyo
Branches	Hokkaido Branch	Sapporo, Hokkaido
	Eastern Japan Branch	Kawagoe, Saitama Prefecture
	Central Japan Branch	Kasugai, Aichi Prefecture
	Western Japan Branch	Osaka, Osaka Prefecture

(b) Power Plants

Sector	Power Plant Name (Location)
Hydroelectric Power (Output greater than 100,000 kW)	Okutadami, Tagokura, Otori, Shimogo (all in Fukushima Prefecture), Okukiyotsu, Okukiyotsu #2 (both in 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 other plants with output below 100,000 kW)
Thermal Power	Isogo (Kanagawa Prefecture), Takasago (Hyogo Prefecture), Takehara (Hiroshima Prefecture), Tachibanawan (Tokushima Prefecture), Matsuura, Matsushima (both in Nagasaki Prefecture), Ishikawa Coal Thermal (Okinawa Prefecture), Onikobe Geothermal (Miyagi Prefecture)

## (2) Location of Principal Subsidiaries

Company Name	Head Office Location
Bay Side Energy Co., Ltd.	Chuo-ku, Tokyo
Green Power Kuzumaki Co., Ltd.	Kuzumaki-cho, Iwate-gun, Iwate Pref.
Green Power Awara Co., Ltd.	Chuo-ku, Tokyo
Green Power Setana Co., Ltd.	Setana-cho, Kudo-gun, Hokkaido
Green Power Koriyama-Nunobiki Co., Ltd.	Koriyama, Fukushima Pref.
Dream-Up Tomamae Co., Ltd.	Tomamae-cho, Tomamae-gun, Hokkaido
Green Power TOKIWA Co., Ltd.	Chuo-ku, Tokyo
Yuya Wind Power Co., Ltd.	Nagato, Yamaguchi Pref.
Green Power Aso Co., Ltd.	Nishihara-mura, Aso-gun, Kumamoto Pref.
ITOIGAWA POWER Inc.	Itoigawa, Niigata Pref.
Minami Kyushu Wind Power Co., Ltd.	Minami Osumi-cho, Kimotsuki-gun, Kagoshima Pref.
Nagasaki-Shikamachi Wind Power Co., Ltd.	Shikamachi-cho, Kitamatsuura-gun, Nagasaki Pref.
Nikaho-kogen Wind Power Co., Ltd.	Nikaho, Akita Pref.
J-Wind TAHARA., Ltd.	Tahara, Aichi Pref.
Ichihara Power Co., Ltd.	Ichihara, Chiba Pref.
J-Wind IROUZAKI Co., Ltd.	Chuo-ku, Tokyo
Sarakitomanai Wind Power Co., Ltd.	Wakkanai, Hokkaido
JPOWER GENEX CAPITAL Co., Ltd.	Chuo-ku, Tokyo
JPec Co., Ltd.	Chuo-ku, Tokyo
JPHYTEC Co., Ltd.	Chiyoda-ku, Tokyo
J-POWER EnTech Co., Inc.	Minato-ku, Tokyo
Kaihatsu Denshi Gijutsu Co., Ltd.	Bunkyo-ku, Tokyo
Kaihatsu Sekkei Consultant Co., Ltd.	Nakano-ku, Tokyo
EPDC CoalTech and Marine Co., Ltd.	Chuo-ku, Tokyo
J-POWER AUSTRALIA PTY. LTD.	Australia
J-POWER RESOURCES Co., Ltd.	Chuo-ku, Tokyo
JP Business Service Corporation	Koto-ku, Tokyo
J-Power Investment Netherlands B.V.	The Netherlands
Jie Pawa Electric Power Development (Beijing) Limited	The People's Republic of China
J-POWER North America Holdings Co., Ltd.	U.S.A.
J-POWER Holdings (Thailand) Co., Ltd.	Thailand
J-POWER Generation (Thailand) Co., Ltd.	Thailand
J-POWER USA Investment Co., Ltd.	U.S.A.
J-POWER USA Development Co., Ltd.	U.S.A.
Omuta Plant Service Co., Ltd.	Omuta, Fukuoka Pref.
FWM Investment Co., Ltd.	Omuta, Fukuoka Pref.
Fresh Water Miike Co., Ltd.	Omuta, Fukuoka Pref.
Japan Network Engineering Co., Ltd.	Chuo-ku, Tokyo
Kaihatsu Hiryou Co., Ltd.	Takehara, Hiroshima Pref.

## 9. Employees (as of March 31, 2009)

### (1) Employees of the J-POWER Group

Segment	Number of Employees
Electric Power Business	2,242
Electric Power-Related Businesses	4,058
Other Businesses	281
Total	6,581

Notes: 1. The number of employees represents a number of employees at work.

2. The number of temporary employees is omitted as it is less than 10% of the total.

### (2) Employees of the Company

Number of Employees	Change Since Previous FY	Average Age	Average Years of Service
2,224	+23	39.9	18.9

Notes: 1. The number of employees represents a number of employees at work, and does not include 773 employees on loan, etc.

2. The number of temporary employees is omitted as it is less than 10% of the total.

## 10. Principal Lenders

Bank	Loan Balance at End of this Fiscal Year
Mizuho Corporate Bank, Ltd.	78,457 million yen
Sumitomo Mitsui Banking Corporation	68,027 million yen
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	63,508 million yen
Nippon Life Insurance Company	62,456 million yen
The Norinchukin Bank	53,380 million yen



## II. Items Regarding Shares of the Company

### 1. Shares (as of March 31, 2009)

- (1) Number of shares authorized for issue                      660,000,000 shares
- (2) Number of shares issued    166,569,600 shares  
(including 16,515,474 shares of treasury stock)
- (3) Number of shareholders    38,566
- (4) Major shareholders

Shareholder Name	Status of Investment	
	Shares (thousands)	Equity Ratio (%)
Nippon Life Insurance Company	9,120	6.08
Mizuho Corporate Bank, Ltd.	8,269	5.51
Japan Trustee Services Bank, Ltd.(Account in Trust 4G)	8,069	5.38
Japan Trustee Services Bank, Ltd.(Account in Trust)	7,324	4.88
The Master Trust Bank of Japan, Ltd.(Account in Trust)	6,264	4.17
Sumitomo Mitsui Banking Corporation	4,295	2.86
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,140	2.76
Daido Life Insurance Company	3,658	2.44
CGML-IPB TOKYO CLIENT SECS A/C	3,066	2.04
J-POWER Employees Shareholding Association	2,776	1.85

Note: The above equity ratios are calculated excluding treasury stock.

### (5) Significant items regarding other shares

We have acquired the part of businesses of J-POWER RESOURCES, Co., Ltd., a wholly owned subsidiary of the Company, through a company split as of October 1, 2008. Upon this acquisition, we received a stock purchase request from some of disagreed shareholders, in accordance with Article 797, Paragraph 1 of the Corporation Law. Consequently, we have purchased 16,498,680 shares of our stock from them on November 6, 2008.

### III. Items Regarding Officers of the Company

#### 1. Directors and Corporate Auditors (as of March 31, 2009)

Title	Name	Responsibilities and Representation, etc., of Other Companies
President (Representative Director)	Yoshihiko Nakagaki	
Vice-President (Representative Director)	Shinichiro Ota	<ul style="list-style-type: none"> <li>• Assistant to the president for businesses described below [Accounting &amp; Finance Dept., Environment &amp; Energy Business Dept., International Business Management Dept., International Business Development Dept.]</li> <li>• Director of International Business (including a delegation of administrative works)</li> </ul>
Vice-President (Representative Director)	Kiyoshi Sawabe	<ul style="list-style-type: none"> <li>• Assistant to the president for businesses described below [Secretarial Affairs &amp; Public Relation Dept., Personnel &amp; Employee Relations Dept., General Affairs Dept., Energy Business Dept.]</li> <li>• Regional Operations (Central Region)</li> <li>• Compliance and risk management (matters under special assignment)</li> <li>• Nuclear Power business (matters under special assignment)</li> </ul>
Vice-President (Representative Director)	Masayoshi Kitamura	<ul style="list-style-type: none"> <li>• Assistant to the president for businesses described below [Corporate Planning &amp; Administration Dept., Business Planning Dept., Power Sales Dept., Power System Operation Dept.]</li> <li>• Regional Operations (Central)</li> <li>• Nuclear Power business (matters under special assignment)</li> </ul>
Vice-President (Representative Director)	Masashi Hatano	<ul style="list-style-type: none"> <li>• Assistant to the president for businesses described below [Hydropower &amp; Transmission System Dept., Thermal Power Dept., Nuclear Power Management Dept., Nuclear Power Construction Dept., Oma General Management Dept., Technology Development Center]</li> <li>• Regional Operations (East and West Region)</li> <li>• Director of Nuclear Power Business (including a delegation of administrative works)</li> </ul>
Executive Managing Director	Yasuo Maeda	<ul style="list-style-type: none"> <li>• Civil and Electrical Engineering Dept.</li> <li>• Thermal Power Engineering Dept.</li> <li>• Nuclear Power business, Environment &amp; Energy business, International Power business (matters under special assignment)</li> <li>• Compliance and Risk Management (matters under special assignment)</li> </ul>
Executive Managing Director	Kanji Shimada	<ul style="list-style-type: none"> <li>• Power Sales Dept.</li> <li>• Power System Operation Dept.</li> <li>• Regional Operations (Central Region)</li> </ul>
Executive Managing Director	Yoshihiko Sakanashi	<ul style="list-style-type: none"> <li>• Business Planning Dept.</li> <li>• Energy Business Dept.</li> <li>• Regional Operations (West Region)</li> </ul>
Executive Managing Director	Minoru Hino	<ul style="list-style-type: none"> <li>• Nuclear Power Management Dept.</li> <li>• Nuclear Power Construction Dept.</li> <li>• Oma General Management Dept.</li> <li>• Deputy Director of Nuclear Power Business (including a delegation of administrative works)</li> </ul>
Executive Managing Director	Masaharu Fujitomi	<ul style="list-style-type: none"> <li>• Technology Development Center</li> <li>• Nuclear Power business, global environmental problems (matters under special assignment)</li> </ul>
Executive Director	Toshifumi Watanabe	<ul style="list-style-type: none"> <li>• Accounting &amp; Finance Dept.</li> <li>• Personnel &amp; Employee Relations Dept.</li> </ul>

Title	Name	Responsibilities and Representation, etc., of Other Companies
Executive Director	Tomoo Kosugi	<ul style="list-style-type: none"> <li>• Civil and Electrical Engineering Dept.</li> <li>• Hydropower &amp; Transmission System Dept.</li> <li>• Regional Operations (East Region)</li> </ul>
Executive Director	Koichi Tazawa	<ul style="list-style-type: none"> <li>• Thermal Power Engineering Dept.</li> <li>• Thermal Power Dept.</li> </ul>
Senior Corporate Auditor	Masayuki Hori	(Full-time)
Corporate Auditor	Takashi Fujiwara	(Full-time)
Corporate Auditor	Motohito Sunamichi	(Full-time)
Corporate Auditor	Mutsutake Otsuka	• Chairman and director of East Japan Railway Company
Corporate Auditor	Hideaki Miyahara	• Chairman and representative director of Toyota Tokyo Rental & Leasing Co., Ltd.

- Notes:
1. Takashi Fujiwara, Mutsutake Otsuka and Hideaki Miyahara are Outside Corporate Auditors.
  2. Takashi Fujiwara (Corporate Auditor) has experience in the management of a stock exchange, and is knowledgeable in both finance and accounting.
  3. Akio Ushio and Yasuo Matsushita have resigned their positions as Corporate Auditors at the end of the 56th Ordinary General Meeting of Shareholders on June 26, 2008.

## 2. Directors' and Corporate Auditors' Remuneration

Category	Number of Persons	Total Amount
Directors	13	446 million yen
Corporate Auditors (Outside Corporate Auditors)	7 (4)	98 million yen (36 million yen)
Total	20	545 million yen

- Notes: 1. Per a proposal passed at the 54th Ordinary General Meeting of Shareholders on June 28, 2006, Directors' remuneration was capped at 625 million yen annually (a fixed monthly salary calculated according to position and once-yearly performance pay. Employee salaries for those also working as employees are excluded).
2. Per a proposal passed at the 54th Ordinary General Meeting of Shareholders on June 28, 2006, Corporate Auditors' remuneration was capped at 120 million yen annually (a fixed monthly salary calculated according to position).
3. Directors' remuneration includes a performance pay of 54 million yen for this fiscal year.
4. The above numbers of Directors and Corporate Auditors include 2 Corporate Auditors (including 1 Outside Corporate Auditor) who have resigned at the 56th Ordinary General Meeting of Shareholders on June 26, 2008.
5. The officer retirement benefit system has been abolished at the 54th Ordinary General Meeting of Shareholders on June 28, 2006. Other than the above remuneration, estimated retirement benefits to be paid to Directors and Corporate Auditors after the abolishment as of the end of this fiscal year are as follows:
- |                                       |                 |
|---------------------------------------|-----------------|
| Retiring Directors (8 persons)        | 172 million yen |
| Retiring Corporate Auditor (1 person) | 10 million yen  |

## 3. Items Regarding Outside Officers

### (1) Key Activities in this Fiscal Year

Name (Title)	Key Activities
Takashi Fujiwara (Corporate Auditor)	Has attended 10 of the 10 Board of Directors meetings and 7 of the 7 Board of Corporate Auditors meetings since he assumed the role of a Corporate Auditor on and after June 26, 2008, and made comments primarily based on his distinguished knowledge and a wide range of experience in the stock exchange management.
Mutsutake Otsuka (Corporate Auditor)	Has attended 12 of the 12 Board of Directors meetings and 11 of the 11 Board of Corporate Auditors meetings since he assumed the role of a Corporate Auditor, and made comments primarily based on his distinguished knowledge and a wide range of experience as the Director of a listed company.
Hideaki Miyahara (Corporate Auditor)	Has attended 12 of the 12 Board of Directors meetings and 11 of the 11 Board of Corporate Auditors meetings since he assumed the role of a Corporate Auditor, and made comments primarily based on his distinguished knowledge and a wide range of experience as the Director and the Corporate Auditor of a listed company.

### (2) Overview of Limitation of Liability Contracts

In accordance with Article 427, Paragraph 1 of the Corporation Law, the Company has entered into contracts with its Outside Corporate Auditors that limit their liability for damages arising from failure to perform duties. The limit of their liability under these contracts is the amount prescribed by the relevant law.

#### **IV. Status of Independent Auditors**

##### **1. Name of Independent Auditors**

Ernst & Young ShinNihon LLC

Note: Ernst & Young ShinNihon has changed its corporate name to “Ernst & Young ShinNihon LLC” following its move to a Limited Liability Auditing Firm as of July 1, 2008.

##### **2. Amount of Independent Auditor Remuneration in this Fiscal Year**

Segment	Amount Paid
Amount of compensation paid in this fiscal year	92 million yen
Total amount owed to Independent Auditor by the Company and its subsidiaries in the form of cash or other financial benefit	136 million yen

Notes: 1. According to the Auditing Agreement between the Company and its Independent Auditor, no separation is made in auditor remuneration between auditing under the Corporation Law and auditing under the Financial Instruments and Exchange Act, and since the two cannot, in fact, be distinguished, the amount noted above represents total compensation for services under both categories in the current fiscal year.

2. Of our key subsidiaries, 6 companies, including J-POWER AUSTRALIA PTY., Ltd. use the accounting audit services of other audit firms.

##### **3. Non-audit Services**

The Company has entrusted its Independent Auditor to provide certain services, such as an advisory service for training on internal audit, other than those defined in Article 2, Paragraph 1 of the Certified Public Accountant Law of Japan (non-audit services).

##### **4. Policy Regarding Discharge or Non-reelection of Independent Auditors**

In addition to the discharge of Independent Auditors by the Board of Corporate Auditors, as provided for in Article 340 of the Corporation Law, the Company, at the behest of or with the consent of its Board of Corporate Auditors, may put forth a proposal at its General Meeting of Shareholders calling for the discharge or non-reelection of its Independent Auditors if they are deemed unable to adequately perform their duties, or for other justifiable reason.

## **V. Corporate Structure and Policies**

### **1. Systems for Ensuring Appropriate Business Operations**

#### **(1) Systems for Ensuring Proper Execution of Business Operations by Directors and Employees as per Laws, Regulations, and the Articles of Incorporation**

In accordance with the “J-POWER Codes of Conduct for Corporate Activities” based on the “J-POWER Corporate Philosophy,” the Directors shall strive under their own initiative to set an example of honest and fair conduct in a spirit of resolute compliance with the law and an ethical outlook, and to thoroughly instill the same in their employees.

So as to ensure appropriate execution of business operations, the Internal Audit Department, as an organization directly affiliated with the President, shall self-audit the respective business operations executed in each institution in addition to auditing business operations internally.

In order to promote compliance in the activities of each employee, including managers, the “Compliance Code” has been formulated as a more specific criterion for assessing business activities. The system for promoting compliance, as an organization that strives to discuss policies for observing compliance, evaluate situations for carrying them out, and respond to issues of non-compliance throughout the Company, in addition to setting up Directors in charge of compliance who shall assist the President and execute business operations promoting compliance, has set up the “Company-wide Compliance Action Committee” chaired by the President above the “Compliance Observation Headquarters,” which promptly and appropriately carries out business operations concerning the observation of compliance. A “Compliance Consultation Point” has also been established in the Internal Audit Department along with an external law office to serve as a direct point of contact for employees to seek advice on compliance issues. In addition to these aspects of our compliance system, an “Oath of Compliance” has been circulated to all Directors, Executive Officers, and employees in an effort to raise awareness of compliance issues in a handy, easy-to-read format.

In order to improve transparency and accountability of corporate activities, the “Disclosure Committee” chaired by the President has been set up to implement the timely disclosure of corporate information in a proactive, fair, and transparent manner.

In order to ensure the reliability of financial reports, we shall strive, in accordance with both internal and external laws and regulations, to maintain and implement internal governance concerning financial reports for the entire J-POWER Group and to evaluate its effectiveness.

**(2) Systems for Maintaining and Managing Information Concerning the Directors' Execution of Business Operations**

Directors shall regularly, and whenever required, report on situations involving the execution of business operations either to meetings of the Board of Directors or the Executive Committee, record the meeting minutes thereof in accordance with both internal and external laws and regulations, and maintain and manage them appropriately. Documentation concerning the execution of other business operations shall also be appropriately drafted, maintained, and managed in accordance with internal regulations.

**(3) Regulations and Other Systems of Risk Management**

Regarding risks involved in the execution of corporate activities, we shall make thoroughgoing efforts through a mutually supervised decision-making process, discussions at all meeting bodies, and the maintenance of routine, internal regulation-based risk management systems, to raise awareness of risks and set up policies to avoid them, and also strive to minimize the impact of losses when risks occur.

**(4) Systems for Ensuring that Directors Efficiently Execute Business Operations**

The Board of Directors' meetings, in principle, shall be held once a month or when required, whereas the Executive Committee attended by all Directors, Executive Officers, and full-time Corporate Auditors shall be held, in principle, once a week to discuss essential Company-wide matters relevant to the President's execution of business operations on the basis of matters raised in Board meetings and policies decided by the Board of Directors. Furthermore, business meetings composed of all Representative Directors, affiliated Directors, and Executive Officers shall, in principle, be held twice a month to discuss essential matters concerning the execution of business operations on a case-by-case basis. In addition to the allocation of functions through meetings by Directors and Executive Officers and business meetings, a system of Executive Officers shall be implemented to clarify responsibilities and jurisdiction, make appropriate and prompt decisions, and conduct Company operations effectively through the creation of a system that divides responsibilities for the execution of business operations among Directors and Executive Officers.

**(5) Systems for Ensuring Appropriate Execution of Business Operations by the J-POWER Group Comprising the Company and its Subsidiaries**

Management of affiliated Companies shall strive, in its basic policy, for the comprehensive expansion of the J-POWER Group as a whole in accordance with the J-POWER Group's business plan, and also strive, in addition to the management of affiliated companies in accordance with internal regulations, to realize appropriate business operations by the J-POWER group through the Group Management Committee. Corporate Auditors and the Internal Audit Department shall audit affiliated companies to ensure the propriety of business operations by the J-POWER group.

**(6) Matters Concerning Employees when Corporate Auditors Request the Placement of Said Employees to Assist Business Operations; Matters Concerning the Independence of Said Employees from the Directors**

As for the Corporate Auditor personnel system, the Corporate Auditors' Office shall be set up independent of the chain of command of the Directors, and an exclusive staff shall be set up to assist audits conducted by the Corporate Auditors. Matters concerning the personnel of the Corporate Auditors' Office shall furthermore be discussed with the full-time Corporate Auditors.

**(7) Systems Whereby Directors and Employees Report to Corporate Auditors and Other Systems Involving Reports Made to Corporate Auditors**

The following shall be reported to the Corporate Auditors:

- (a) Matters with the potential to inflict significant losses on the Company
- (b) Results of audits conducted by the Internal Auditing Department
- (c) Other matters required for the Corporate Auditors to conduct their professional duties

**(8) Other Systems for Ensuring Efficient Audits by Corporate Auditors**

The Directors shall set up an environment that enables the Corporate Auditors to attend meetings of the Board of Directors, Executive Committee, and Management Executive Committee and other such business meetings, hear about the status concerning the execution of business operations by Directors and others, and smoothly investigate all Company institutions and their principal subsidiaries. The Directors shall furthermore set up an environment conducive to mutual cooperation whereby the Corporate Auditors can decide on plans for conducting audits and report on their results.



## **2. Basic Policy Regarding Control of the Company**

In the more than half-century since the Company was founded in 1952 to help augment the domestic supply of electric power, it has continued to deliver low-cost, stable power, and to build and operate a nationwide infrastructure of primary transmission lines, contributing to the growth of our nation's economy and improvement in the standard of living of its citizens.

During this time, the Company has continued to hold as its corporate philosophy the mission to meet the peoples' need for energy with an uninterrupted supply, and to contribute to the sustainable growth of Japan and the world, while making the coexistence of energy and the environment the keynote of our business, working to build an attractive business with stable growth, and continuing our never-ending efforts to build corporate value.

Our business is primarily characterized by investment in power plants and other public infrastructure, and in recovering that investment through the long-term operation of those facilities. We believe that over the course of these long-term operations, it is through cooperation with our many stakeholders, and our ability to deliver stable growth, that we are able to maximize the corporate value of the Company.

While we hope that our shareholders will understand the unique characteristics of our business, we also believe that our shareholders should naturally be free to exercise their own will in buying or selling Company stock.

Nevertheless, when it comes to large-scale acquisition of Company shares with the intent to acquire management control, the Directors of the Company, who serve at your mandate, also believe that a response needs to be based on careful consideration, in light of corporate value, of the benefits to our shareholders collectively.

As a result, in cases where the shareholders and Directors have not been provided with sufficient time or information to properly consider such a move, or when, upon consideration, it is determined that such an attempt may inflict serious damage to the collective interests of our shareholders, and consequently to our corporate value, the Company's policy shall be to take such measures as are appropriate and permitted under the Corporation Law and other relevant laws.

**CONSOLIDATED BALANCE SHEETS (As of March 31, 2009)**

<b>Assets</b>	<b>(millions of yen)</b>
<b>Property, plant and equipment</b>	1,843,143
<b>Power plants</b>	1,235,044
Hydroelectric power production facilities	441,694
Thermal power production facilities	463,682
Internal combustion power generation facilities	12,906
Transmission facilities	217,723
Transformation facilities	36,615
Communication facilities	9,591
General facilities	52,830
<b>Other property, plant &amp; equipment</b>	46,634
<b>Construction in progress</b>	321,889
Construction and retirement in progress	321,889
<b>Nuclear fuel</b>	27,650
Nuclear fuel in processing	27,650
<b>Investments and other assets</b>	211,923
Long-term investments	150,332
Deferred tax assets	58,711
Other investments	3,414
Allowance for doubtful accounts	(534)
<b>Current assets</b>	162,325
Cash and bank deposits	27,628
Notes and accounts receivable	50,014
Short-term investments	2,592
Inventories	43,110
Deferred tax assets	6,264
Other current assets	32,718
Allowance for doubtful accounts	(2)
<b>Total assets</b>	<b>2,005,469</b>

**CONSOLIDATED BALANCE SHEETS (As of March 31, 2009) (Continued)**

<b>Liabilities</b>	(millions of yen)
<b>Long-term liabilities</b>	1,304,830
Bond	717,867
Long-term loans	513,239
Lease obligations	520
Accrued employee retirement benefits	51,931
Other allowances	1,098
Deferred tax liabilities	2,352
Other long-term liabilities	17,820
<b>Current liabilities</b>	317,379
Current portion of long-term debt and other	120,700
Short-term loans	9,098
Commercial paper	109,971
Notes and accounts payable	10,144
Income and other taxes payable	16,317
Other allowances	713
Deferred tax liabilities	9
Other current liabilities	50,423
<b>Reserves under special laws</b>	1,146
Reserve for fluctuation in water levels	1,146
<b>Total liabilities</b>	1,623,356
<b>Net Assets</b>	
<b>Shareholders' equity</b>	408,036
Common stock	152,449
Capital surplus	81,849
Retained earnings	236,998
Treasury stock	(63,260)
<b>Valuation and translation adjustments</b>	(27,908)
Unrealized gain on other securities	(404)
Deferred hedging gain or loss	(6,285)
Foreign currency translation adjustments	(21,217)
<b>Minority interests</b>	1,984
<b>Total net assets</b>	382,112
<b>Total liabilities and net assets</b>	2,005,469

**CONSOLIDATED STATEMENTS OF INCOME** (from April 1, 2008 to March 31, 2009)

<b>Ordinary revenues</b>	(millions of yen)
<b>Operating revenues</b>	704,936
Electric power	648,362
Other	56,574
<b>Non-operating revenues</b>	13,282
Dividend income	1,706
Interest income	960
Equity income of affiliates	7,470
Other	3,145
<b>Total ordinary revenues</b>	718,219
<b>Ordinary expenses</b>	
<b>Operating expenses</b>	647,828
Electric power	588,808
Other	59,019
[Operating income	57,108]
<b>Non-operating expenses</b>	30,791
Interest expenses	22,616
Other	8,174
<b>Total ordinary expenses</b>	678,619
<b>Ordinary income</b>	39,599
<b>Provision or reversal of reserve for fluctuation in water levels</b>	(413)
Reversal of reserve for fluctuation in water levels	(413)
<b>Extraordinary income</b>	12,170
Distribution from the dissolution of anonymous association	12,170
<b>Extraordinary loss</b>	19,648
Loss on valuation of securities	19,648
<b>Income before income taxes and minority interests</b>	32,536
Income taxes - current	17,928
Income taxes - deferred	(4,945)
Minority interests in income	95
<b>Net income</b>	19,457

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(from April 1, 2008 to March 31, 2009)

(millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
<b>Balance at March 31, 2008</b>	152,449	81,849	230,032	(64)	464,266
<b>Changes during the fiscal year</b>					
Dividends on retained earnings	—	—	(12,491)	—	(12,491)
Net income	—	—	19,457	—	19,457
Acquisition of treasury stock	—	—	—	(63,195)	(63,195)
Changes in items other than shareholders' equity (net)	—	—	—	—	—
<b>Total</b>	—	—	6,966	(63,195)	(56,229)
<b>Balance at March 31, 2009</b>	152,449	81,849	236,998	(63,260)	408,036

(millions of yen)

	Valuation and translation adjustments				Minority interests	Total net assets
	Unrealized gain on other securities	Deferred hedging gain or loss	Foreign currency translation adjustments	Total valuation and translation adjustments		
<b>Balance at March 31, 2008</b>	1,934	(6,759)	6,941	2,116	1,735	468,118
<b>Changes during the fiscal year</b>						
Dividends on retained earnings	—	—	—	—	—	(12,491)
Net income	—	—	—	—	—	19,457
Acquisition of treasury stock	—	—	—	—	—	(63,195)
Changes in items other than shareholders' equity (net)	(2,339)	474	(28,159)	(30,024)	248	(29,776)
<b>Total</b>	(2,339)	474	(28,159)	(30,024)	248	(86,006)
<b>Balance at March 31, 2009</b>	(404)	(6,285)	(21,217)	(27,908)	1,984	382,112

**NON-CONSOLIDATED BALANCE SHEETS (As of March 31, 2009)**

**Electric Power Development Co., Ltd.**

<b>Assets</b>	(millions of yen)
<b>Property, plant and equipment</b>	1,796,175
<b>Power plants</b>	1,220,808
Hydroelectric power production facilities	428,270
Thermal power production facilities	469,618
Transmission facilities	221,274
Transformation facilities	37,929
Communication facilities	10,384
General facilities	53,331
<b>Incidental business-related property, plant &amp; equipment</b>	2,321
<b>Non-operating property, plant &amp; equipment</b>	461
<b>Construction in progress</b>	313,664
Construction in progress	313,542
Retirement in progress	121
<b>Nuclear fuel</b>	27,650
Nuclear fuel in processing	27,650
<b>Investments and other assets</b>	231,268
Long-term investments	46,787
Long-term investments in affiliated companies	143,118
Long-term prepaid expenses	2,164
Deferred tax assets	40,084
Allowance for doubtful accounts	(886)
<b>Current assets</b>	114,416
Cash and bank deposits	4,973
Accounts receivable	44,178
Accrued income	5,186
Short-term investments	22
Inventories	38,414
Prepaid expenses	1,002
Short-term loans to affiliated Companies	4,880
Deferred tax assets	4,150
Other current assets	11,622
Allowance for doubtful accounts	(14)
<b>Total assets</b>	1,910,592

**NON-CONSOLIDATED BALANCE SHEETS (As of March 31, 2009) (Continued)**

**Electric Power Development Co., Ltd.**

<b>Liabilities</b>	(millions of yen)
<b>Long-term liabilities</b>	1,256,467
Bond	717,867
Long-term loans	481,577
Long-term accrued liabilities	2
Lease obligations	133
Long-term accrued liabilities in affiliated companies	3,073
Accrued employee retirement benefits	41,439
Other long-term liabilities	12,373
<b>Current liabilities</b>	316,383
Current portion of long-term debt and other	117,815
Short-term loans	9,000
Commercial paper	109,971
Accounts payable	1,220
Accrued accounts	8,040
Accrued expenses	11,349
Income and other taxes payable	13,539
Deposits received	261
Short-term debt to affiliated companies	42,331
Advances received	938
Other current liabilities	1,916
<b>Reserves</b>	1,146
Reserve for fluctuation in water levels	1,146
<b>Total liabilities</b>	1,573,998

**NON-CONSOLIDATED BALANCE SHEETS (As of March 31, 2009) (Continued)**

**Electric Power Development Co., Ltd.**

<b>Net Assets</b>	(millions of yen)
<b>Shareholders' equity</b>	338,012
<b>Common stock</b>	152,449
<b>Capital surplus</b>	81,852
Additional paid-in capital	81,852
<b>Retained earnings</b>	166,971
Legal reserve	6,029
Other retained earnings	160,941
Reserve for special disaster	50
Exchange-fluctuation preparation reserve	1,960
General reserve	137,861
Retained earnings carried forward	21,070
<b>Treasury stock</b>	(63,260)
<b>Valuation and translation adjustments</b>	(1,417)
Unrealized gain on other securities	(1,214)
Deferred hedging gain or loss	(203)
<b>Total net assets</b>	336,594
<b>Total liabilities and net assets</b>	1,910,592



**NON-CONSOLIDATED STATEMENTS OF INCOME (from April 1, 2008 to March 31, 2009)****Electric Power Development Co., Ltd.**

<b>Ordinary revenues</b>	(millions of yen)
<b>Operating revenues</b>	645,850
<b>Electric power</b>	631,452
Electric power sales to other companies	571,282
Transmission revenues	55,414
Other electricity revenues	4,755
<b>Incidental business revenues</b>	14,398
Consulting business	2,022
Coal sales business	11,434
Other incidental business	940
<b>Non-operating revenues</b>	6,617
<b>Financial revenues</b>	4,933
Dividend income	3,775
Interest income	1,158
<b>Non-business revenues</b>	1,683
Gain on sale of fixed assets	5
Other	1,678
<b>Total ordinary revenues</b>	652,468
<b>Ordinary expenses</b>	
<b>Operating expenses</b>	601,122
<b>Electric power</b>	588,224
Hydroelectric power production expenses	68,281
Thermal power production expenses	402,159
Power purchased from other companies	80
Transmission expenses	28,475
Transformation expenses	7,020
Selling expenses	1,307
Communication expenses	6,242
General and administrative expenses	66,407
Enterprise tax	8,250

**NON-CONSOLIDATED STATEMENTS OF INCOME****(from April 1, 2008 to March 31, 2009) (Continued)****Electric Power Development Co., Ltd.**

	(millions of yen)
<b>Incidental business expenses</b>	12,897
Consulting business	1,446
Coal sales business	10,589
Other incidental business	861
[Operating income	44,728]
<b>Non-operating expenses</b>	28,950
<b>Financial expenses</b>	22,294
Interest expenses	21,915
Bond issue expenses	379
<b>Non-business expenses</b>	6,655
Loss on sale of fixed assets	32
Other	6,622
<b>Total ordinary expenses</b>	630,072
<b>Ordinary income</b>	22,395
<b>Provision or reversal of reserve for fluctuation in water levels</b>	(413)
Reversal of reserve for fluctuation in water levels	(413)
<b>Extraordinary income</b>	14,472
Distribution from the dissolution of anonymous association	12,170
Gain on extinguishment of tie-in shares	2,301
<b>Extraordinary loss</b>	19,647
Loss on valuation of securities	19,647
<b>Income before income taxes</b>	17,635
<b>Income taxes</b>	7,608
Income taxes - current	13,389
Income taxes - deferred	(5,781)
<b>Net income</b>	10,026

## NON-CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(from April 1, 2008 to March 31, 2009)

**Electric Power Development Co., Ltd.**

(millions of yen)

	Common stock	Shareholders' equity							
		Capital surplus		Retained earnings					
		Additional paid-in capital	Total Capital surplus	Legal reserve	Other retained earnings				Total retained earnings
					Reserve for special disaster	Exchange-fluctuation preparation reserve	General reserve	Retained earnings carried forward	
<b>Balance at March 31, 2008</b>	152,449	81,852	81,852	6,029	47	1,960	132,861	28,538	169,436
<b>Changes during the fiscal year</b>									
Dividends on retained earnings	—	—	—	—	—	—	—	(12,491)	(12,491)
Net income	—	—	—	—	—	—	—	10,026	10,026
Acquisition of treasury stock	—	—	—	—	—	—	—	—	—
Provision of reserve	—	—	—	—	3	—	5,000	(5,003)	—
Changes in items other than shareholders' equity (net)	—	—	—	—	—	—	—	—	—
<b>Total</b>	—	—	—	—	3	—	5,000	(7,468)	(2,464)
<b>Balance at March 31, 2009</b>	152,449	81,852	81,852	6,029	50	1,960	137,861	21,070	166,971

(millions of yen)

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gain on other securities	Deferred hedging gain or loss	Total valuation and translation adjustments	
<b>Balance at March 31, 2008</b>	(64)	403,672	1,068	101	1,169	404,842
<b>Changes during the fiscal year</b>						
Dividends on retained earnings	—	(12,491)	—	—	—	(12,491)
Net income	—	10,026	—	—	—	10,026
Acquisition of treasury stock	(63,195)	(63,195)	—	—	—	(63,195)
Provision of reserve	—	—	—	—	—	—
Changes in items other than shareholders' equity (net)	—	—	(2,282)	(304)	(2,587)	(2,587)
<b>Total</b>	(63,195)	(65,660)	(2,282)	(304)	(2,587)	(68,248)
<b>Balance at March 31, 2009</b>	(63,260)	338,012	(1,214)	(203)	(1,417)	336,594

**THE AUDIT REPORT OF THE INDEPENDENT AUDITOR**  
**CONCERNING THE CONSOLIDATED FINANCIAL STATEMENTS**

Report of Independent Auditor

May 12, 2009

To the Board of Directors  
Electric Power Development Co., Ltd.

Ernst & Young ShinNihon LLC  
Akira Chiba (seal)  
Designated Limited Partner  
Certified Public Accountant  
Kenji Deguchi (seal)  
Designated Limited Partner  
Certified Public Accountant

In accordance with the provisions of Article 444, Paragraph 4 of the Corporation Law, we have audited the consolidated financial statements of Electric Power Development Co., Ltd (the “Company”), for this fiscal year, from April 1, 2008 to March 31, 2009. These statements consist of the consolidated balance sheets, the consolidated statements of income, the consolidated statement of changes in shareholders’ equity, and notes on significant accounting policies used in preparation of the consolidated financial statements. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an independent opinion regarding these financial statements based on our audit as independent auditor.

We conducted our audit in accordance with generally accepted auditing standards in Japan. Those audit standards require that we 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, the methods of application thereof, and 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material aspects, the financial results of operations of the Company and its consolidated subsidiaries for the period covered by the aforesaid financial statements in conformity with the generally accepted accounting principles in Japan.

Our firm and engagement partners have no interests in the Company required to be disclosed pursuant to the relevant provisions of the Certified Public Accountant Law of Japan.

**THE AUDIT REPORT OF THE INDEPENDENT AUDITOR**  
**CONCERNING THE NON-CONSOLIDATED FINANCIAL STATEMENTS**

Report of Independent Auditor

May 12, 2009

To the Board of Directors  
Electric Power Development Co., Ltd.

Ernst & Young ShinNihon LLC  
Akira Chiba (seal)  
Designated Limited Partner  
Certified Public Accountant  
Kenji Deguchi (seal)  
Designated Limited Partner  
Certified Public Accountant

In accordance with the provision of Article 436, Paragraph 2 (1) of the Corporation Law, we have audited the non-consolidated financial statements of Electric Power Development Co., Ltd (the “Company”), for this fiscal year, from April 1, 2008 to March 31, 2009. These statements consist of the non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statement of changes in shareholders’ equity, notes on significant accounting policies used in preparation of the non-consolidated financial statements and supplemental statements. These non-consolidated financial statements and supplemental statements are the responsibility of the Company’s management. Our responsibility is to express an independent opinion regarding these financial statements and supplemental statements based on our audit as independent auditor.

We conducted our audit in accordance with generally accepted auditing standards in Japan. Those audit standards require that we obtain reasonable assurance about whether the non-consolidated financial statements and supplemental statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the non-consolidated financial statements and supplemental statements. An audit also includes assessing the accounting principles used, the methods of application thereof, and estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and supplemental statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the non-consolidated financial statements and supplemental statements referred to above present fairly, in all material aspects, the financial results of operations of the Company for the period covered by the aforesaid financial statements in conformity with the generally accepted accounting principles in Japan.

Our firm and engagement partners have no interests in the Company required to be disclosed pursuant to the relevant provisions of the Certified Public Accountant Law of Japan.

## **REPORT OF THE BOARD OF CORPORATE AUDITORS**

### Audit Report

The Board of Corporate Auditors hereby reports as follows regarding the performance of duties by the Directors of the Electric Power Development Co., Ltd. (the “Company”) during its 57<sup>th</sup> fiscal year, from April 1, 2008 to March 31, 2009, based on reports prepared by each Corporate Auditor and subsequent deliberations of the Board of Corporate Auditors.

#### 1. Method of the audits by the individual Corporate Auditors and the Board of Corporate Auditors; content of audits

In addition to receiving reports on the progress in and results of audits by the individual Corporate Auditors, based on the Board of Auditors’ policies and audit plans, the Board of Corporate Auditors also received reports on business performance from the Directors and the Independent Auditors, and requested explanations from them as necessary.

In accordance with the auditing standards, policies, and plans set forth by the Board of Corporate Auditors, each of the Corporate Auditors worked to communicate with the Directors, the Internal Audit Department, and other employees in collecting information and establishing an appropriate audit environment. Corporate Auditors also participated in meetings of the Board of Directors and other key meetings, received reports from the Directors and other employees regarding the performance of their duties, and when necessary, requested explanations of those reports. Corporate Auditors also reviewed key decision documents, and conducted surveys of the operations and assets of both the head office and other local offices.

Further, Corporate Auditors were responsible for monitoring and verifying the status of various corporate structures, including those necessary to ensure compliance by Directors with relevant laws and the Articles of Incorporation, and those needed for ensuring the fair performance of the Company’s operations as a public corporation, namely decisions by the Board of Directors regarding the establishment of systems as set forth in Article 100, Paragraphs 1 and 3 of the Enforcement Regulation of the Corporation Law (the internal control system).

Additional consideration was given to the policies set forth in Article 127, Item 1 of the Enforcement Regulation of the Corporation Law, as noted in the Business Reports, based on the status of deliberations at the meeting of Board of Directors and other key meetings.

Regarding subsidiaries, Corporate Auditors worked to communicate with the Boards of Directors, Corporate Auditors, and other parties at those subsidiaries, and when necessary conduct hearings with them regarding the status of their performance of duties, including surveys of operations and assets of those subsidiaries.

Based on the above methods, Corporate Auditors examined the Business Report regarding the fiscal year under review.

Further, while also monitoring and reviewing the audit of the Independent Auditor to ensure they maintained an independent position and conducted their audits fairly, Corporate Auditors received reports from them regarding the performance of their duties, and when necessary, asked for further explanation regarding those reports.

Corporate Auditors also received notice from the Independent Auditor in accordance with “the system for ensuring appropriate execution of their duties” (as enumerated in each Item of Article 131 of the Company Accounting Regulation Ordinance) in compliance with the “Quality Control Standards Relating to Auditing” (adopted by the Business Accounting Deliberations Council in October 28, 2005), and, where necessary, Corporate Auditors requested further explanation regarding that notice.

Based on the above methods, Corporate Auditors proceeded to review the non-consolidated financial statements (consist of the non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statement of changes in shareholders’ equity, and notes on significant accounting policies used in preparation of the non-consolidated financial statements) with supplemental statements, and the consolidated financial statements (consist of the consolidated balance sheets, the consolidated statements of income, the consolidated statement of changes in shareholders’ equity, and notes on significant accounting policies used in preparation of the consolidated financial statements) for the fiscal year under review.

## 2. Audit Results

### (1) Results of Audit of Business Reports, etc.

- (i) The Board of Corporate Auditors confirms that the Business Reports conformed to the applicable laws and the Articles of Incorporation, and that they accurately present the situation of the Company.
- (ii) With respect to the performance of the Directors, the Board of Corporate Auditors confirmed that there has been no improper act committed, nor important violation of applicable law or the Articles of Incorporation.
- (iii) The Board of Corporate Auditors confirmed that decisions by the Board of Directors regarding the Company’s internal control systems to be fair and adequate, and found no areas that require mention regarding their performance of duties with respect regarding the internal control systems.
- (iv) The Board of Corporate Auditors confirmed no items that need to be pointed out regarding the Basic Policy Regarding Control of the Company, noted in the Business Report.

### (2) Results of Audit of Non-consolidated Financial Statements and Supplemental Statements

The Board of Corporate Auditors confirms that the methods used and results achieved by the Independent Auditor, Ernst & Young ShinNihon LLC, to be fair and adequate.

### (3) Results of Audit of Consolidated Financial Statements

The Board of Corporate Auditors confirms that the methods used and results achieved by the Independent Auditor, Ernst & Young ShinNihon LLC, to be fair and adequate.

May 15, 2009

Board of Corporate Auditors

Electric Power Development Co., Ltd.

Masayuki Hori (seal)  
Senior Corporate Auditor (Full-time)

Takashi Fujiwara (seal)  
Corporate Auditor (Full-time)

Motohito Sunamichi (seal)  
Corporate Auditor (Full-time)

Mutsutake Otsuka (seal)  
Corporate Auditor

Hideaki Miyahara (seal)  
Corporate Auditor

Note: Corporate Auditors Takashi Fujiwara, Mutsutake Otsuka and Hideaki Miyahara are outside corporate auditors as stipulated in Article 2, Item 16 and Article 335, Item 3 of the Corporation Law.



## REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

### Proposal and Reference Information

#### Proposal 1: Appropriation of Surplus

The most notable feature of our business model is to gain investment returns from long-term business operations focused on the construction and operation of power plants. We expect to continue applying an appropriate level of retained earnings towards business investments that will lead to new growth, while, recognizing that our financial position requires reinforcement, also working to further build equity capital.

Taking into consideration this business feature, we focus on the importance of stable dividends and strive to return more profits to shareholders by continuously improving our corporate value and fostering the growth of the Company.

Although the current business environment is among the most challenging we have faced, due to the deteriorating domestic stock market, etc. triggered by the global economic downturn, we continue to enhance the competitiveness of the wholesale electricity supply business, our core operation, as well as to strengthen our earnings capability by exploring new business opportunities. With these in mind, we aim for promoting stable and continuous growth of return to shareholders, and propose an annual dividend of 70 yen per share for the 57th fiscal year. As we have already paid an interim dividend of 35 yen per share in November 2008, we propose an additional 35 yen per share year-end dividend.

Therefore, we propose the appropriation of retained earnings for the fiscal year as follows:

Matters regarding the year-end dividend for the 57th fiscal year:

1. Matters regarding the allocation of dividends to shareholders and the total amount thereof  
35 yen per share of common stock of the Company  
Total amount: 5,251,894,410 yen
2. Effective date of the dividend  
June 26, 2009

## **Proposal 2: Partial Amendments to the Articles of Incorporation**

### **1. Reasons for Amendments**

- (1) To improve the convenience of public notice inspection and to rationalize public notice procedures, the public notice method of the Company shall be changed to electronic public notice and measures shall be provided for cases when public notice by electronic public notice is not possible because of accident or other unavoidable event. (Article 5 of proposed amendments.)
- (2) Since the so-called “share certificate dematerialization” was enforced upon the enactment of the “Law Partially Revising Law on Transfer of Bonds, etc. for the Rational Settlements of Stock Transactions, etc.” (Act No. 88, 2004) (hereinafter, “Law on Rational Settlement of Stocks”) on January 5, 2009, the following amendments are proposed in order to delete, or amend as necessary, provisions that are based on the assumption that share certificate are issued.
  - (a) As the current Article 7 of the Articles of Incorporation, which provides for the issuance of share certificates, has been deemed as abolished as per the provisions of Article 6 of Supplemental Provisions of the Law on Rational Settlement of Stocks, it is to be deleted.
  - (b) Following the abolishment of the provisions of (a) above, the provisions relating to the kinds of share certificates are to be deleted. (Article 8 and Article 9 of proposed amendments.)
  - (c) Following the abolishment of “Act on Custody and Transfer of Share Certificate, etc.” (Act No. 30, 1984), the provision regarding beneficial shareholders is to be deleted. (Article 9 of proposed amendments.)
  - (d) Other adjustments in accompaniment to the above amendments such as the renumbering of Articles shall be made to the Articles of Incorporation.
- (3) Aiming to reinforce the structure of the Board of Directors by introducing an Outside Director, an amendment of the number of directors from no more than 13 to no more than 14 is proposed. (Article 17 of proposed amendments.)
- (4) New establishment of the position of the Chairman is proposed. The aim of this proposal is to reinforce the management structure by making the Chairman, if appointed, the chairman of the General Meeting of Shareholders and the convener and the chairman of the Meetings of the Board of Directors. (Article 20 of proposed amendments.)

## 2. Details of Amendments

The following amendments to the Articles of Incorporation are proposed.

(Amendments are indicated by underline.)

Current Articles of Incorporation	Proposed Amendments
<p>(Method of public notice)  <b>Article 5.</b> Public notices of the Company shall appear in the <u>Nihon Keizai Shimbun</u>.            (Newly established)</p>	<p>(Method of public notice)  <b>Article 5.</b> <u>The method of public notice of the Company shall be electronic public notice.</u>  <u>2 In the event of accident or other unforeseen event preventing public notice by electronic public notice, public notices of the Company shall appear in the Nihon Keizai Shimbun.</u></p>
<p>(Total number of shares)  <b>Article 6.</b> (Omitted)</p>	<p>(Total number of shares)  <b>Article 6.</b> (Unchanged)</p>
<p>(Issuance of share certificates)  <b>Article 7.</b> <u>The Company shall issue share certificates for its shares.</u></p>	<p>(Article deleted)</p>
<p>(Acquisition by the Company of its own shares)  <b>Article 8.</b> (Omitted)</p>	<p>(Acquisition by the Company of its own shares)  <b>Article 7.</b> (Unchanged)</p>
<p>(Number of shares constituting one unit)  <b>Article 9.</b> The number of shares constituting one unit of shares of the Company shall be one hundred (100).  <u>2. Provisions of Article 7 notwithstanding, the Company shall not issue share certificates representing Shares Constituting Less than One Unit; provided, however that the foregoing shall not apply with regard to matters provided for in the Share Handling Regulations.</u></p>	<p>(Number of shares constituting one unit)  <b>Article 8.</b> (Unchanged)             (Paragraph deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Share Handling Regulations)</p> <p><b>Article 10.</b> <u>The kinds of share certificates to be issued by the Company, changes in the details of shareholders recorded in the register of shareholders including the names of shareholders, etc. (hereinafter, “shareholders” includes beneficial shareholders recorded or set forth in the register of beneficial shareholders), purchase of Shares Constituting Less than One Unit and other</u> handling and fees pertaining to shares, other than as provided by law or regulation or the Articles of Incorporation, shall be governed by the Share Handling Regulations set forth by the Board of Directors.</p> <p><b>Article 11. to Article 17.</b> (Omitted)</p> <p>(Number of Directors)</p> <p><b>Article 18.</b> The Company shall have no more than <u>thirteen (13)</u> Directors.</p> <p><b>Article 19. to Article 20.</b> (Omitted)</p>	<p>(Share Handling Regulations)</p> <p><b>Article 9.</b> The handling and fees pertaining to shares <u>of the Company</u>, other than as provided by law or regulation or the Articles of Incorporation, shall be governed by the Share Handling Regulations set forth by the Board of Directors.</p> <p><b>Article 10. to Article 16.</b> (Unchanged)</p> <p>(Number of Directors)</p> <p><b>Article 17.</b> The Company shall have no more than <u>fourteen (14)</u> Directors.</p> <p><b>Article 18. to Article 19.</b> (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Representative Directors; Directors with managerial positions)</p> <p><b>Article 21.</b> The Company shall have one President, and one or more Vice Presidents and Managing Directors <u>as needed</u>, who shall be selected from among the Directors by resolution of the Board of Directors.</p> <p>2. The President shall represent the Company.</p> <p>3. In addition to the President, one or more Directors representing the Company may be selected by resolution of the Board of Directors.</p> <p>4. The President shall preside over the affairs of the Company in accordance with resolution of the Board of Directors.</p> <p>5. In the event the President is unable to act or the office of the President is vacant, one of the other Directors shall act as the President's proxy or in his stead in the order predetermined by the Board of Directors.</p> <p style="text-align: center;">(Newly established)</p> <p><b>Article 22. to Article 34.</b> (Omitted)</p>	<p>(Representative Directors; Directors with managerial positions)</p> <p><b>Article 20.</b> The Company shall have one President, and <u>as needed, one Chairman and one or more Vice Presidents and Managing Directors</u>, who shall be selected from among the Directors by resolution of the Board of Directors.</p> <p>2. (Unchanged)</p> <p>3. (Unchanged)</p> <p>4. (Unchanged)</p> <p>5. (Unchanged)</p> <p>6. <u>In the event of the Chairman being appointed, all occurrences of "President" in Article 13 and Article 21 shall be deemed to be replaced with "Chairman."</u></p> <p><b>Article 21. to Article 33.</b> (Unchanged)</p>

### Proposal 3: Election of Fourteen (14) Directors

The term of appointment for all thirteen (13) Directors expires as of the end of this meeting. Therefore, we propose the election of fourteen (14) Directors, increasing the number of Directors by one (1), assuming the approval of Proposal 2, in an effort to introduce Outside Directors to the Company and strengthen the structure of the Board of Directors.

The Director candidates are as follows:

Candidate Number	Name (Date of Birth)	Brief Personal History, Representative Position in Other Corporations, and Position if Currently a Director of the Company		Number of Shares of the Company Held
1	Kiyoshi Sawabe (September 11, 1946)	July 1969	Joined the Company	6,720 shares
		June 1998	Department Director of General Affairs Dept.	
		June 2001	Director	
		June 2004	Managing Director	
		June 2005	Vice President and Representative Director (current position)	
2	Masayoshi Kitamura (May 11, 1947)	April 1972	Joined the Company	10,740 shares
		June 2000	Department Director of Planning Dept.	
		June 2001	Director, Department Director of Planning Dept.	
		April 2002	Director	
		June 2004	Managing Director	
		June 2007	Vice President and Representative Director (current position)	
3	Shinichiro Ota (May 13, 1946)	July 1969	Joined the Ministry of International Trade and Industry	6,500 shares
		July 2002	Commissioner of the Japan Patent Office	
		September 2003	Advisor to Sompo Japan Inc.	
		June 2005	Vice President and Representative Director of the Company (current position)	
4	Masashi Hatano (January 19, 1947)	April 1969	Joined the Company	8,840 shares
		January 2001	Department Director of Thermal Power Dept.	
		April 2002	Officer, Department Director of Thermal Power Dept.	
		June 2003	Officer, Senior Advisor	
		June 2004	Director	
		June 2005	Managing Director	
		June 2007	Vice President and Representative Director (current position)	

Candidate Number	Name (Date of Birth)	Brief Personal History, Representative Position in Other Corporations, and Position if Currently a Director of the Company		Number of Shares of the Company Held
5	Yasuo Maeda (January 31, 1951)	April 1974	Joined the Company	6,180 shares
		October 2002	Officer, Department Director of Engineering Dept.	
		June 2004	Director, Executive Officer and Department Director of Engineering Dept.	
		June 2006	Managing Director (current position)	
6	Yoshihiko Sakanashi (November 12, 1953)	April 1976	Joined the Company	5,540 shares
		July 2001	Office Director of Business Development Strategy Office	
		October 2002	Executive Officer, Department Director of Business Planning Dept.	
		June 2004	Director	
		June 2007	Managing Director (current position)	
7	Minoru Hino (November 11, 1947)	April 1971	Joined the Company	5,300 shares
		June 2000	Department Director of Nuclear Power Dept.	
		April 2002	Executive Officer, Department Director of Nuclear Power Dept.	
		June 2004	Executive Officer, Senior Advisor	
		June 2006	Director	
		June 2007	Managing Director (current position)	
8	Masaharu Fujitomi (October 17, 1949)	April 1973	Joined the Ministry of International Trade and Industry	4,800 shares
		September 1999	Deputy Director-General of the Agency for Natural Resources and Energy	
		January 2001	Deputy Director-General of Nuclear and Industrial Safety Agency, the Ministry of Economy, Trade and Industry	
		October 2002	Director of the Institute of Energy Economics, Japan	
		June 2003	Managing Director of the Institute of Energy Economics, Japan	
		June 2006	Director of the Company	
		June 2008	Managing Director (current position)	

Candidate Number	Name (Date of Birth)	Brief Personal History, Representative Position in Other Corporations, and Position if Currently a Director of the Company		Number of Shares of the Company Held
9	Toshifumi Watanabe (March 10, 1955)	April 1977	Joined the Company	5,000 shares
		April 2002	Department Director of Planning Dept. and Office Director of Privatization Office	
		October 2002	Department Director of Corporate Planning & Administration Dept. and Office Director of Privatization Office	
		June 2004	Department Director of Corporate Planning & Administration Dept.	
		June 2006	Director (current position)	
10	Seigo Mizunuma (May 1, 1953)	April 1978	Joined the Company	2,900 shares
		June 2004	Executive Officer, Department Director of International Power Business Management Dept.	
		June 2007	Executive Managing Officer, Department Director of International Power Business Management Dept.	
		June 2008	Executive Managing Officer (current position)	
11	Kiyotaka Muramatsu (February 26, 1954)	April 1976	Joined the Company	3,020 shares
		June 2005	Director of Technology Development Center	
		June 2006	Executive Officer, Director of Technology Development Center	
		June 2007	Executive Managing Officer, Department Director of Technology Development Center	
		June 2008	Executive Managing Officer, Department Director of Environment & Energy Business Dept. (current position)	
12	Kuniharu Takemata (September 29, 1954)	April 1978	Joined the Company	4,100 shares
		June 2004	Department Director of Business Planning Dept.	
		June 2006	Executive Officer, Department Director of Business Planning Dept.	
		July 2006	Executive Officer, Department Director of Corporate Planning & Administration Dept.	
		June 2007	Executive Managing Officer, Department Director of Corporate Planning & Administration Dept. (current position)	



Candidate Number	Name (Date of Birth)	Brief Personal History, Representative Position in Other Corporations, and Position if Currently a Director of the Company	Number of Shares of the Company Held
13	Hirotsada Tanou (August 10, 1954)	<p>April 1978      Joined the Company</p> <p>July 2006      Department Director of Hydropower &amp; Transmission System Dept.</p> <p>June 2007      Executive Officer, Director of Hydropower &amp; Transmission System Dept. (current position)</p>	8,200 shares
14	Go Kajitani (November 22, 1936)	<p>April 1967      Registered as an attorney at Law (Dai-ichi Tokyo Bar Association) Joined KAJITANI LAW OFFICES</p> <p>April 1998      President of Dai-ichi Tokyo Bar Association, Vice President of Japan Federation of Bar Associations</p> <p>April 1999      Senior Partner of KAJITANI LAW OFFICES (current position)</p> <p>June 2003      Corporate Auditor, NICHIAS Corporation (current position)</p> <p>April 2004      President of Japan Federation of Bar Associations</p> <p>June 2007      Chairman of the Central Third-Party Committee to Check Pension Records, the Ministry of Internal Affairs and Communications (current position)</p>	0 share

- Notes:
1. There is no conflict of interest between any of the Director candidates and the Company.
  2. Of the Director candidates in positions of responsibilities at the Company as its Directors, the responsibilities of Kiyoshi Sawabe, Masayoshi Kitamura, Shinichiro Ota, Masashi Hatano, Yasuo Maeda, Yoshihiko Sakanashi, Minoru Hino, Masaharu Fujitomi, and Toshifumi Watanabe, are as described on page 18.
  3. Go Kajitani is an Outside Director candidate.
    - (1) With his distinguished knowledge as an attorney and abundant experience in the legal profession, we endorse his election as an Outside Director. Although he lacks experience in the management of a company other than as an Outside Corporate Auditor, for the aforementioned reasons, the Company judged that he would be able to appropriately execute the duties of Outside Director.
    - (2) NICHIAS Corporation, where Mr. Kajitani is serving concurrently as Outside Corporate Auditor, received a cease and desist and surcharge payment order from the Japan Fair Trade Commission in May 2007 relating to violations to the Antimonopoly Law involving some of the construction material sold by that company (interior calcium silicate boards). Mr. Kajitani offered his advice during this period including for fact-finding investigations and expressed his opinion on measures to prevent reoccurrences. In October 2007, it was discovered that the company unfairly acquired ministerial certification for the fire resistance and quasi-fire resistance of construction materials it manufactures and sells (some ceiling material for home awnings and fire resistant partition walls). During this period, Mr. Kajitani offered guidance and advice on measures to discover causes and prevent reoccurrences and expressed his opinion on ways to strengthen the compliance system as well as on organizational efforts to restore trust.
    - (3) Should you choose to elect him, the Company intends to enter into a contract with him that limits his liability for damages arising from failure to perform duties in accordance with Article 427, Paragraph 1 of the Corporation Law. The limit under that contract will be the amount prescribed by the relevant laws.

**Proposal 4: Election of One (1) Corporate Auditor**

Corporate Auditor Masayuki Hori will retire as of the end of this meeting.

Therefore, we propose the election of one (1) Corporate Auditor.

The Board of Corporate Auditors has approved this Proposal.

The Corporate Auditor candidate is as follows:

Name (Date of Birth)	Brief Personal History, Representative Position in Other Corporations, and Position if Currently a Corporate Auditor of the Company		Number of Shares of the Company Held
Kanji Shimada (March 29, 1952)	April 1975	Joined the Company	7,980 shares
	June 2000	Department Director of New Business Development Dept.	
	July 2001	Department Director of Business Development Dept.	
	April 2002	Executive Officer, Department Director of Business Development Dept.	
	June 2003	Department Director of General Affairs Dept.	
	June 2004	Director	
	June 2007	Managing Director (current position)	

Notes: There is no conflict of interest between the Corporate Auditor candidate and the Company.