

May 29, 2014
Electric Power Development Co., Ltd.

Accident at the Matsuura Thermal Power Plant (Third Report)
and Revision of Earnings Forecasts

Electric Power Development Co., Ltd. (“J-POWER”) hereby announces its restoration plan following the low-pressure turbine rotor accident at the No. 2 Unit of the Matsuura Thermal Power Plant (“Matsuura No. 2 Unit”) and revision of its earnings forecast in light of this.

1. Restoration plan

On March 28, 2014 during a periodic inspection at the Matsuura No. 2 Unit (Output: 1,000MW) an accident occurred in which a low-pressure turbine rotor fell and was damaged (as announced in the first report¹).

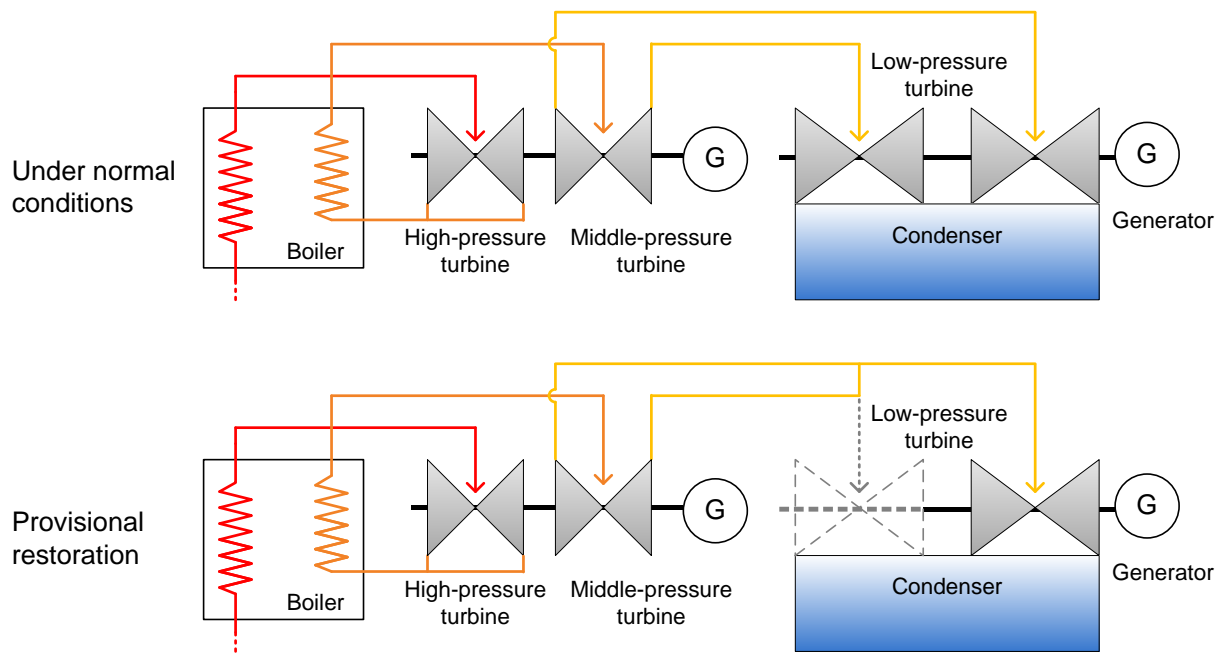
Thereafter, in efforts to identify the cause of the accident and restore operation of the unit at an early date, J-POWER has conducted an inspection of the damaged low-pressure turbine rotor and investigated the fabrication of a new low-pressure turbine rotor and provisional restoration of the unit at a partial loading (as announced in the second report²).

Following the investigation, we made efforts to shorten the process to full restoration of operation through replacement of the damaged rotor with a new low-pressure turbine rotor. As a result, J-POWER currently expects to resume operation by the end of June 2015. To secure power supply in the interim, J-POWER also expects to resume operation with provisional restoration³ at a partial loading around mid-August this year (output of approximately 400MW).

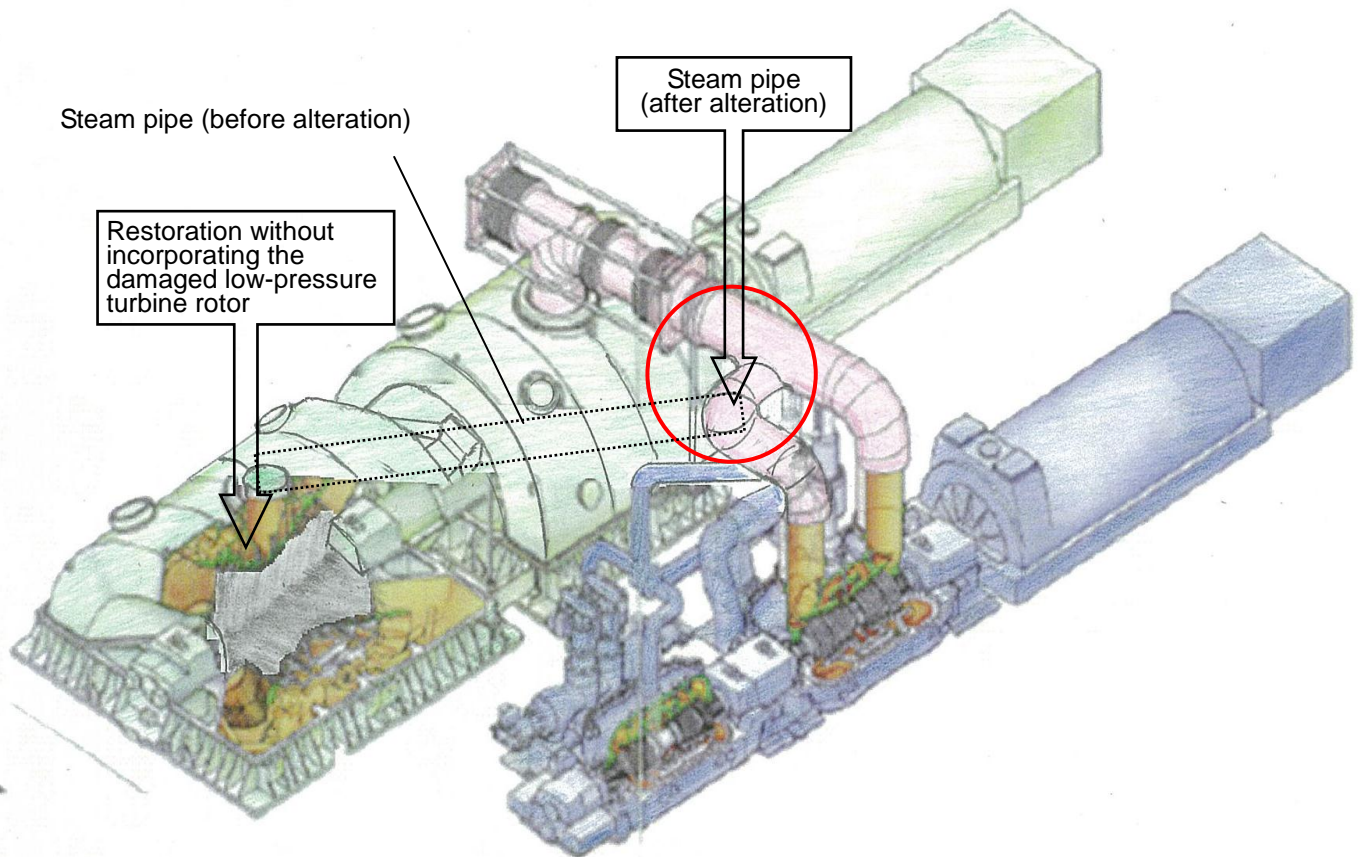
Although an inspection of the damaged low-pressure rotor has been conducted for reuse of the rotor in restoration, J-POWER concluded that it would be difficult to ensure adequate reliability and therefore did not factor this possibility into our current restoration plan.

1. Incident During Periodic Inspection of the No. 2 Unit at the Matsuura Thermal Power Plant (March 28, 2014)
2. Incident During Periodic Inspection of the No. 2 Unit at the Matsuura Thermal Power Plant (Second Report) (April 17, 2014)
3. With provisional restoration based on a partial loading, the unit will generate electric power without using the damaged low-pressure turbine, thereby using only one of the two low-pressure turbines of Matsuura Unit No. 2. As a result, the expected output is 400MW in contrast to the plant's rated output of 1,000MW.

Steam Flow Diagram



Bird's Eye View of the turbine and generator (after provisional restoration)



2. Revision to earnings forecasts

(In millions of yen)

Revision to consolidated earnings forecasts for the 2nd quarter cumulative period

(from April 1, 2014 to September 30, 2014)

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Earnings Per Share
Previous forecast (A)	355,000	29,000	21,000	15,000	99.97
Revised forecast (B)	351,000	29,000	21,000	15,000	99.97
Difference (B-A)	(4,000)	0	0	0	-
Change (%)	(1.1)	0.0	0.0	0.0	-
(Ref.) Previous results	346,877	35,568	26,480	18,853	125.64

Revision to consolidated earnings forecast for the year ending March 2015

(from April 1, 2014 – March 31, 2015)

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Earnings Per Share
Previous forecast (A)	754,000	69,000	57,000	41,000	273.24
Revised forecast (B)	732,000	57,000	45,000	33,000	219.92
Difference (B-A)	(22,000)	(12,000)	(12,000)	(8,000)	-
Change (%)	(2.9)	(17.4)	(21.1)	(19.5)	-
(Ref.) Previous results	706,835	59,171	40,077	28,694	191.23

Revision to non-consolidated earnings forecast for the 2nd quarter cumulative period

(from April 1, 2014 – September 30, 2014)

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Earnings Per Share
Previous forecast (A)	287,000	25,000	20,000	15,000	99.97
Revised forecast (B)	281,000	25,000	20,000	15,000	99.97
Difference (B-A)	(6,000)	0	0	0	-
Change (%)	(2.1)	0.0	0.0	0.0	-
(Ref.) Previous results	299,462	31,907	26,526	18,709	124.68

Revision to non-consolidated earnings forecasts for the year ending March 2015

(from April 1, 2014 – March 31, 2015)

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Earnings Per Share
Previous forecast (A)	578,000	41,000	28,000	20,000	133.29
Revised forecast (B)	554,000	29,000	16,000	12,000	79.97
Difference (B-A)	(24,000)	(12,000)	(12,000)	(8,000)	-
Change (%)	(4.2)	(29.3)	(42.9)	(40.0)	-
(Ref.) Previous results	582,861	40,464	31,060	22,117	147.40

Reason for the Revision

Our earnings forecasts for the year ending March 31, 2015, which were released on April 30, 2014, did not include restoration costs or the amount of impact due to the further extension of suspension of operation at Matsuura Unit No. 2. Because the date of the resumption of operation and other matters regarding the impact of the accident were not known at the time, we prepared our earnings forecasts on the assumption that the periodic inspection would be completed on July 8 as planned before the accident.

We have revised our earnings forecasts based on the restoration plan mentioned in 1. above and taking into consideration factors such as a decline in sales and fuel costs accompanying a reduction in electric sales for thermal power and an increase in restoration-related costs.

At present we are examining various matters such as postponement of repair plans for other thermal power plants to ensure power supply during the current year, and there is a possibility we will revise our earnings forecasts for the year based on results.

Key Data

			Previous Forecast	Revised Forecast
Electric Power Business	Wholesale Electric Power Business	Electricity sales (Hydroelectric)	9.1 TWh	9.1 TWh
		Electricity sales (thermal)	54.3 TWh	50.6 TWh
		Water supply rate	100%	98%
		Load factor of thermal power plants	79%	73%
	Other electric power businesses	Electricity sales	2.5 TWh	2.5 TWh
Overseas Business		Electricity sales	9.3 TWh	9.3 TWh