

Developing Human Resources and Creating a Dynamic Workplace

The J-POWER Group creates workplaces that prioritize safety and legal compliance and creates conditions that provide employees with job satisfaction. Executives and employees work together toward the goal of sustained growth.

Basic Philosophy on J-POWER Group Human Resources

Human resources hold the key to a company's sustainability. The structure of Japanese society is undergoing major change, brought on by a major generational shift and a rapidly aging population with a low birthrate. For a company to continue to grow, it must foster personnel with rich individuality and endeavor to create a corporate culture, that enhances employees' passion to contribute to our stakeholders. Various initiatives are necessary in order to hire and develop this type of personnel, and efforts must be made to ensure that workplace conditions allow employees to stay focused on their work.

The J-POWER Group has worked to develop this type of workplace environment, but our goal is to ensure ongoing, stable growth over the long term, so we believe it is necessary to further enhance initiatives

in this area. In order to ensure that our workplace enables employees to robustly engage in their jobs, we intend to refine work processes and workplace conditions, and, to the extent possible, enhance programs that address challenges faced directly by individual employees, like child-raising and caring for elderly family members. We want to create a company where our employees can gain the understanding of their colleagues in their workplaces about the problems they are facing, where executives and employees support one another, and where each and every employee can vigorously engage in their work on an ongoing basis. In order to achieve these goals, the J-POWER Group will tackle work-life balance issues as a part of its management strategy.

Employment

With society changing and the scope of our business expanding both in Japan and overseas, we believe that it will become even more important for the J-POWER Group to attract talented people from a broad range of fields and age groups and enable them to flourish.

Utilizing Diverse Human Resources

In addition to recent graduates, we are working to hire a diverse array of human resources, including people with extensive experience and professionals with specialized knowledge. In particular, we are making progress in creating workplace conditions that enable female employees to fully demonstrate their abilities and are hiring foreign nationals in order to accelerate overseas business development.

Recent Graduate Hiring (J-POWER)

	FY 2005	FY 2006	FY 2007 (as of April)
Men	27	23	36
Women	1	2	5
Total	28	25	41

Harnessing the Abilities of Elderly Employees

In order to further harness the abilities of elderly employees, we instituted a continued employment program in April 2006 that allows employees who have reached the mandatory retirement age to continue working until age 63. We also already have a personnel registration system that introduces job opportunities in the Group for employees when they are between the ages of 60 and 65. We intend to further utilize the experience, technical skills, and will to work of elderly employees in the Group for the sake of our ongoing business development.

Use of Continued Employment Program

Employees using continued employment program (as of March 31, 2007)

71

Employing People with Disabilities

Our employment ratio for people with disabilities as of June 1, 2007, was 1.93%, which exceeds the legal minimum. We have established a consultation desk to support employees with disabilities and provide information on workplace conditions. We will continue to work to enhance the workplace environment, by making office buildings barrier-free, for example, and promote understanding about disabilities at workplaces.



Profile of an Academic Training Program Participant

Satoshi Kurihara / Personnel & Employee Relations Department

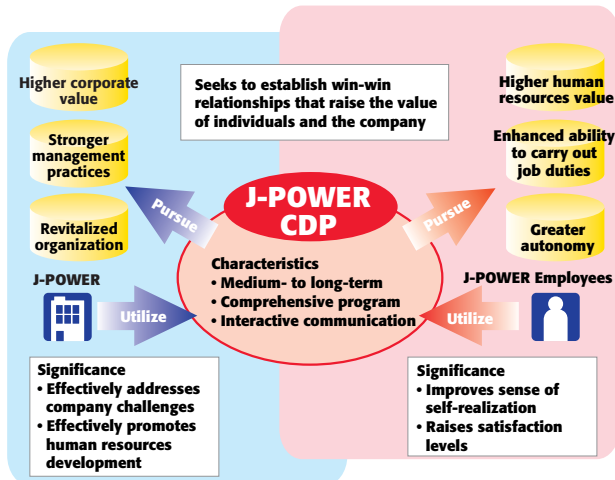
After being involved in construction projects as a civil engineer, I began working in new business areas related to energy and information technology. I became acutely aware that in addition to technical skills it was also important to have managerial expertise, so I applied to the academic training program in the hopes of attending business school abroad. I

made preparations to study abroad while continuing my work. With the help of my managers and colleagues, I was accepted into the university I wanted to attend, and I am now enjoying a busy life as a student in the United States. I am working hard not only to improve my management skills but also to excel in the future as a person with a global outlook.

Human Resources Development

We clearly convey to our employees what we expect from them, and we have instituted a career development program to serve as an education and training system for effectively developing employee skills and abilities. The program provides management with specific guidelines for developing employees. For employees, it constitutes an interactive human resources development tool that helps them think about their own career trajectories and helps them take the initiative in developing their own abilities and raising their value as human resources. We are currently promoting active utilization of the program.

■ Career Development Program Overview



Human Resources Development Programs

J-POWER considers it important to use work itself, particularly on-the-job training, to enhance employees' ability to carry out job duties and facilitate employee growth. At the same time, with the scope of our business expanding, we have established programs to systematically train personnel on a well-designed plan so that the abilities of each and every employee are fully utilized.

● Training Programs

We offer level-specific training to provide business knowledge and management skills commensurate with employee qualifications and age as well as career training for employees to reflect on their careers to date and consider their next step. We also conduct divisional training, objective-specific training, and other forms of off-the-job training to advance the knowledge and technical skills required by each division and facilitate necessary specialization to ensure we can quickly accommodate changes in the business environment.

We have established technical training facilities in Chigasaki, Kanagawa Prefecture for civil and architectural engineering divisions; Kawagoe, Saitama Prefecture for hydropower, transmission, and telecommunications divisions; and Kitakyushu, Fukuoka Prefecture for thermal power divisions. We systematically conduct training for engineers in technical divisions at these facilities. Level-specific training is held at the Human Resources Development Center in Tokyo's Chuo Ward. In this way we are working to develop our human resources in accordance with career development programs.

■ Participating in Level-Specific Training and Career Training

	FY 2004	FY 2005	FY 2006
New managers	61	78	69
New section managers	126	97	83
Career plan training	75	87	57
CLDS*	—	125	79
Total	262	387	288

* Career & Life Design Seminar

● Career Development Programs

J-POWER has a self-assessment program in which employees report their future career wishes to us once a year and discuss them with their respective managers to facilitate communication on careers between management and employees. We have also instituted an internal recruiting program and academic training program, which seek to utilize our human resources while helping employees to fulfill their career aspirations.

● Helping Employees Develop Their Abilities

J-POWER has a self-study incentive program that provides financial assistance to employees who use time after work or on weekends to attend foreign language classes or business school, or a take a correspondence course.

■ Participation in the Self-Study Incentive Program

	FY 2004	FY 2005	FY 2006
School attendance	76	88	47
Correspondence	140	139	116

Occupational Safety and Health

Based on the recognition that safety must be a priority in every corporate activity, the J-POWER Group is working to further strengthen safety management throughout the Group.

To this end, every fiscal year the companies of the J-POWER Group draw up a plan for occupational safety and health and engage in activities on the basis of the plan. Under the fiscal 2006 plan, our efforts centered on the following three safety-related priorities.

- 1) Ensure the effectiveness of occupational safety and health management under our integrated maintenance system
- 2) Prevent workplace accidents involving contractors associated with the J-POWER Group (especially those which tend to occur repeatedly)
- 3) Prevent on-the-job traffic accidents

Specifically, in order to raise safety awareness through better communication, J-POWER Group companies work together with their management, labor unions, and others to conduct safety patrols of plant facilities and engage in discussions on safety issues in an effort to strengthen the workplace safety management system for the J-POWER Group. In addition, at all local facilities we work to appropriately carry out the occupational safety and health management system that has already been instituted while striving to strengthen related initiatives.

There were two incidents in fiscal 2006 involving a serious injury, a decrease of eight incidents from the previous year. In fiscal 2007 we plan to work to raise safety awareness in Group employees, an effort that includes further improving communication, and proactively prevent workplace accidents and injuries by ensuring the overall effectiveness of our safety management practices.

Incidence of Workplace Accidents

	Deaths	Serious Injury	Minor Injury
FY 2004	0	2	18
FY 2005	0	10	18
FY 2006	0	2	10

Accident Frequency and Severity

	Frequency	Severity
FY 2004	0.41	0.02
FY 2005	0.76	0.05
FY 2006	0.48	0.01

Notes:

1. The frequency rate is the number of deaths and injuries caused by industrial accidents that lead to at least one day of missed work per one million hours worked.
2. The severity rate is the number of days of work missed due to an industrial accident per 1,000 hours worked.

Maintaining the Health of Employees and Their Families

J-POWER is involved in the following two areas on a priority basis.

Encouraging Health Exams

J-POWER works to improve the ratio of employees receiving health examinations which are conducted in accordance with the Industrial Safety and Health Law. In addition, as a voluntary initiative, we team with health insurance associations to actively encourage employees to get full medical checkups, dental exams, and eye exams.

Participation in Health Exams

	FY 2005	FY 2006
Ratio of employees receiving regular spring health exams	98%	99%

Total Health Promotion Plan

The J-POWER Group is involved in the Total Health Promotion Plan (THP) in order to improve lifestyle habits, facilitate physical and mental health, and improve workplace communication. The plan consists of lifestyle guidance in the areas of health maintenance, nutrition, exercise, and mental health, based on health exam results, level-specific mental healthcare training, walking programs at business sites and facilities, and other forms of assistance for living a healthy lifestyle.

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Welcome Families Day (THP Communication Event)

The J-POWER Group held a Welcome Families Day in December 2006 for families of employees working in the vicinity of the head office. The event, which featured exchanges of views and a tour of the head office, was designed to serve as an opportunity to deepen understanding of the work of employees among their family members

and reconfirm the importance of the relationship between family and company in light of the work-life balance concept. Our operational facilities have also established opportunities for interaction with families, taking advantage of local customs like evening festivals.



Group employees and their families doing electrical work



Utilizing the Short-term Childcare Leave Program

Youji Yoshikawa / Nuclear Power Department

I took childcare leave in connection with the birth of my first daughter on April 6, 2007. Neither my wife nor I have relatives who we could have expected to do housework and look after our son after my wife gave birth, so I originally felt that I had no choice but to take paid vacation when my daughter was born. But, as luck would have it, the short-term childcare paid

leave program was started in fiscal 2007, so I immediately applied. I managed to help relieve the stress on my wife after she gave birth, and also spent fulfilling days during the leave period deepening my relationship with my son, who is approaching elementary school age.

The Workplace Environment

Work-Life Balance Initiatives

We are working toward a shared awareness and understanding of this issue through discussions among upper and middle management and lectures given by outside experts. We have also established the Work-Life Balance Promotion Committee to discuss and promote further enhancements to work-life balance initiatives. The committee is chaired by an executive vice-president and its membership consists of the heads of major business-related divisions. A number of working groups have also been established under the committee that will include the participation of employees, as the J-POWER Group intends to broadly tackle this issue.

The committee will reassess whether the various labor policies that have been instituted to accommodate societal changes meet the needs of employees, sort out issues that the J-POWER Group needs to be involved in on a priority basis, and consider various measures for enactment. The current priority issues identified by the committee are 1) changing the methods and awareness of work, 2) improving employee skills and promoting diversification, and 3) enhancing work environments. We plan to survey employee attitudes about work and incorporate the findings into future initiatives.

Enhancing Childcare and Nursing Care Programs

Up until now we have revamped programs, based on the Law for Measures to Support the Development of the Next Generation and other regulations, in order to make it easier for employees involved in raising children or caring for elderly relatives at home to work with peace of mind. Now we are using the work-life balance point of view to continue to revise the programs and develop conditions that make them easy to use. Starting in fiscal 2007 we have established a short-term childcare leave program that offers two weeks of paid leave in an effort to establish conditions that makes it easier for employees to care for their children. We also partially revised the nursing care leave program in order to improve its usability.

Program Usage

	FY 2004	FY 2005	FY 2006
Childcare leave program	7	15	13
Shortened working hours for childcare	5	8	8

Managing Working Hours

In fiscal 2005 we instituted a labor management system using an ID card with an embedded IC chip for the Group in an effort to appropriately manage working hours. Also, J-POWER has conducted a campaign for appropriate working hours that involves publicizing and awarding organizations with strong track records in this area. For individuals working long hours, we strongly encourage meetings with physicians and otherwise strive to manage the health of our employees.

Preventing Sexual Harassment

J-POWER strives to prevent sexual harassment as a part of our efforts to ensure good working conditions for everyone. We have established an avenue of communication for complaints and consultation, distributed a manual to all employees, emphasized the importance of prevention, and introduced how to respond in the case of an actual incident and the process for seeking consultation. In this way we work to prevent incidents before they occur and create better working conditions for all.

Healthy Labor Relations

J-POWER has a labor agreement with the J-POWER Group Worker's Union (JPGU) that contains provisions on working conditions and the status of labor unions that have been discussed and agreed upon, and we strive to maintain stable working conditions on this basis. In addition, we have work committees that facilitate the smooth implementation of work processes, and we constantly endeavor to maintain sufficient lines of communication between labor and management.

Surveying Employee Attitudes (Designing Work-Life Balance Initiatives)

To help design work-life balance initiatives, it is important to know how employees view their jobs, workplaces, and day-to-day life. For this reason we are planning to conduct a questionnaire on this topic and use the findings to help shape and promote future policies. An outside consultant has been hired to help administer the survey, and adequate considerations will be given to privacy issues. The questionnaire is set to be conducted in the first half of fiscal 2007.