
Summary of FY2007 First Quarter Earnings Results



Electric Power Development Co., Ltd.

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The following contains statements that constitute forward-looking statements, plans for the future, management targets, etc. relating to the Company and/or the J-POWER group. These are based on current assumptions of future events, and there exist possibilities that such assumptions are objectively incorrect and actual results may differ from those in the statements as a result of various factors.

Furthermore, information and data other than those concerning the Company and its subsidiaries/affiliates are quoted from public information, and the Company has not verified and will not warrant its accuracy or dependency.

- ▶ Increased revenue/lower income (compared to the same period previous year)

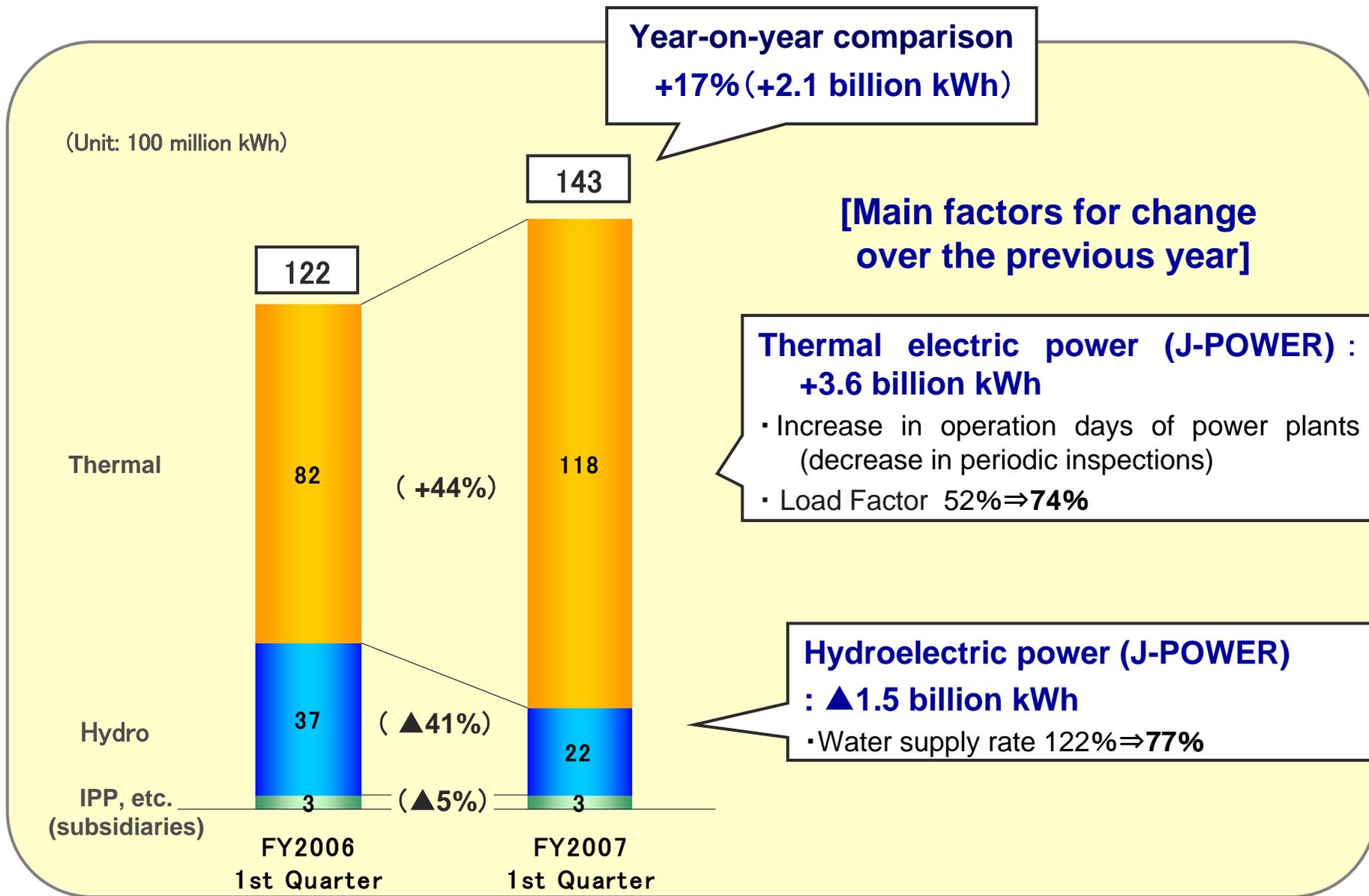
Revenues increased, due in part to an increase in electric power sales as a result of fewer thermal power periodic inspections, however, both operating income and ordinary income declined, due primarily to lower water flow and an increase in coal prices.

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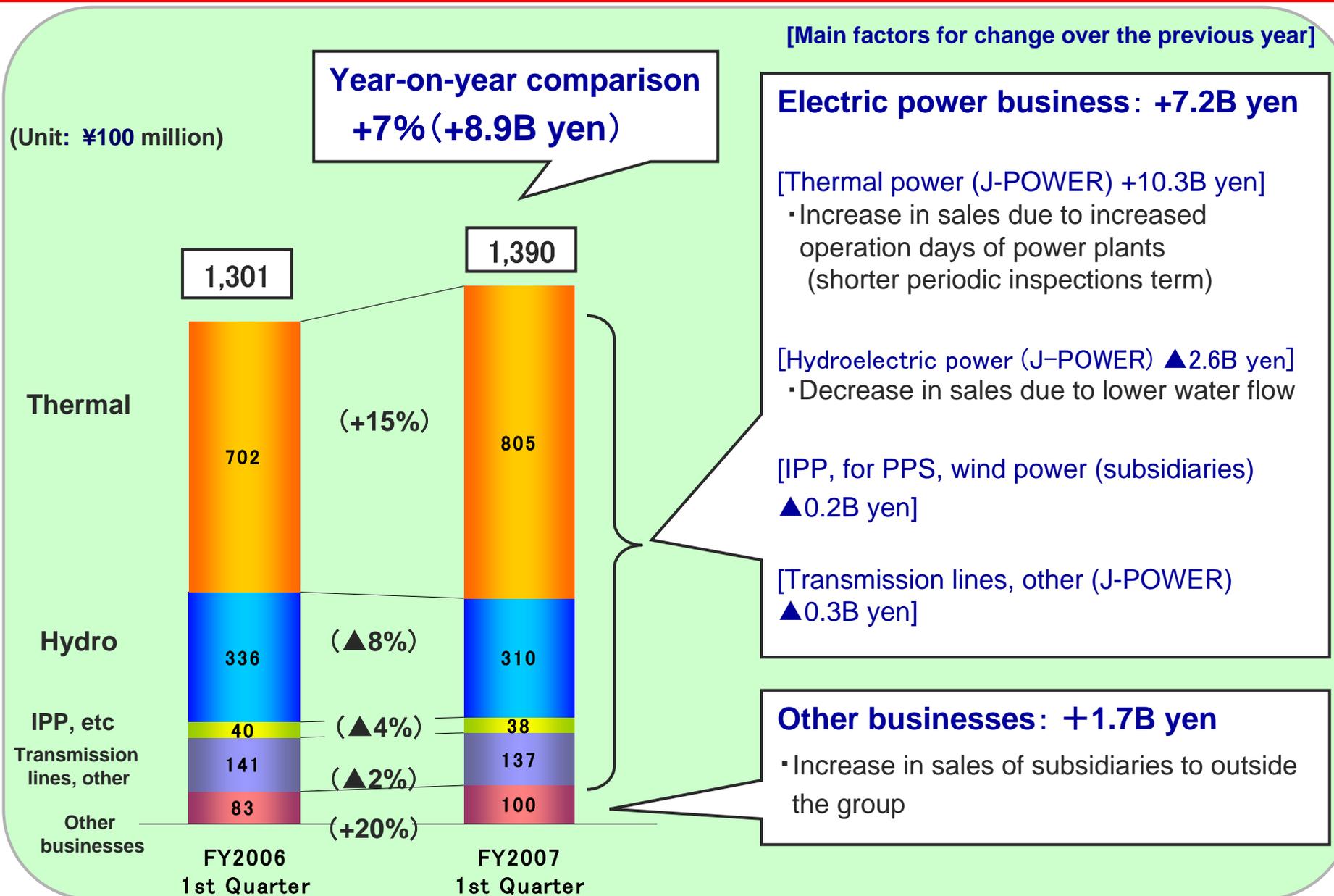
(Unit: ¥100 million)

	FY2006	FY2007	Year-on-year change	
	1st Quarter (Apr.-Jun.)	1st Quarter (Apr.-Jun.)	Increase/ Decrease	Increase/ Decrease(%)
Operating Revenues	1,301	1,390	89	6.8%
Operating Income	228	181	△ 47	△20.7%
Ordinary Income	207	147	△ 60	△29.1%
Net Income	134	102	△ 32	△24.0%

Consolidated: Electric Power Sales



Consolidated: Causes of Change in Operating Revenues



Consolidated : Income / Expenditure Comparison



(Unit: ¥100 million)

	FY2006	FY2007	Year-on-year change Increase/ Decrease	Main factors for change	
	1st Quarter (Apr.-Jun.)	1st Quarter (Apr.-Jun.)			
Ordinary Revenues	Operating Revenues	1,301	1,390	89	
	Electric power business	1,218	1,290	72	Higher load factor at thermal power plants; Lower water flow at hydroelectric power plants
	Other businesses	83	100	17	Increase in sales of subsidiaries to outside the group
	Non-operating Revenues	36	46	10	
	Equity income of affiliates	16	31	15	Increase in overseas IPP business
	Others	20	15	△ 5	
	Total Ordinary Revenues	1,337	1,436	99	
Ordinary Expenses	Operating Expenses	1,074	1,210	136	
	Electric power business	977	1,094	117	
	Personnel expenses	75	77	2	
	Fuel cost	261	403	142	Higher load factor at thermal power plants; Increase in coal prices
	Repair expense	117	108	△ 8	Decrease in periodic inspections at thermal power plants; Increase in hydroelectric power
	Outsourcing expenses	70	68	△ 3	
	Depreciation	292	272	△ 20	Progress in depreciation
	Others	162	165	4	Increase in waste treatment expenses, etc.
	Other businesses	97	116	19	Increase in expenses of subsidiaries
	Non-operating expenses	57	80	23	
	Interest expenses	54	58	5	
	Others	3	22	19	Increase in non-business expenses, etc.
	Total ordinary expenses	1,130	1,290	159	
Ordinary Income	207	147	△ 60		

Consolidated: Cash Flow



- ▶ Expenditures from investing activities decreased compared to the same period of the last year, due to lower capital expenditures for the Ohma Nuclear and other projects, and lower investment in overseas power generation business, etc. Free cash flow was positive at 9.9 billion yen.
- ▶ For the full year, expenditures from investing activities are generally projected as planned.
(Free cash flow for the full year is projected approximately negative at 10 billion yen)

(Unit: ¥100 million)

	FY2006	FY2007	Year-on-year Increase/ Decrease	Main Factors for Change
	1st Quarter (Apr.-Jun.)	1st Quarter (Apr.-Jun.)		
Operating activities (A)	297	312	15	
Investing activities (B)	△ 409	△ 213	196	Decrease in capital expenditure, investments and loans, etc.
Financing activities	60	△ 14	△ 74	Decrease in issuance of corporate bonds, etc.
Free Cash Flow (A+B)	△ 112	99	211	

Consolidated: Balance Sheet



- ▶ While interest-bearing debt increased slightly, consolidated shareholders' equity ratio maintained the level at the end of FY 2006.
(Target of "over 23%" by the end of FY2007)

(Unit: ¥100 million)

	FY2006 End of FY	FY2007 End of Q1	Change from prior year end Increase/ Decrease	Main Factors for Change	
Assets	Fixed Assets	18,618	18,508	△ 110	
	Electric power business	13,520	13,281	△ 239	Decrease due to progress in depreciation
	Other businesses	337	378	41	Increase in facilities of subsidiaries
	Construction in progress	2,487	2,554	67	Ohma Nuclear, Isogo New No. 2, etc.
	Investments, etc.	2,274	2,296	21	Increase in investment on overseas power generation business, etc.
	Current assets	1,380	1,478	98	Increase in cash equivalents, accounts receivable, etc.
Total	19,998	19,986	△ 12		
Liabilities	Interest-bearing debt	14,215	14,249	34	Increase in borrowings
	Others	1,156	1,096	△ 60	Decrease in accrued accounts, etc.
	Total	15,371	15,345	△ 26	
Net Assets	Minority interests	15	16	2	
	Shareholders' equity	4,612	4,624	13	Increase in retained earnings, etc.
	Total	4,627	4,641	14	
Grand Total	19,998	19,986	△ 12		
D/E ratio (x)	3.1	3.1			
Shareholders' equity ratio	23.1%	23.1%			

Consolidated: Earnings Forecast for the Full Year



- ▶ Trend of the first quarter results was generally as planned regardless of lower water flow. The full-year forecast remains unchanged.

FY2007 Consolidated Earnings Forecast

(Unit: ¥100 million)

	<u>FY2006</u>	<u>FY2007</u>	
	<u>Full-year Actual</u>	<u>1st Quarter (Apr.-Jun.)</u>	<u>Full-year Forecast (unchanged)</u>
<u>Operating Revenues</u>	5,733	1,390	5,680
<u>Operating Income</u>	771	181	710
<u>Ordinary Income</u>	555	147	550
<u>Net Income</u>	352	102	370

APPENDIX

【 Wholesale Electric Power Business: Monthly Electricity Sales 】



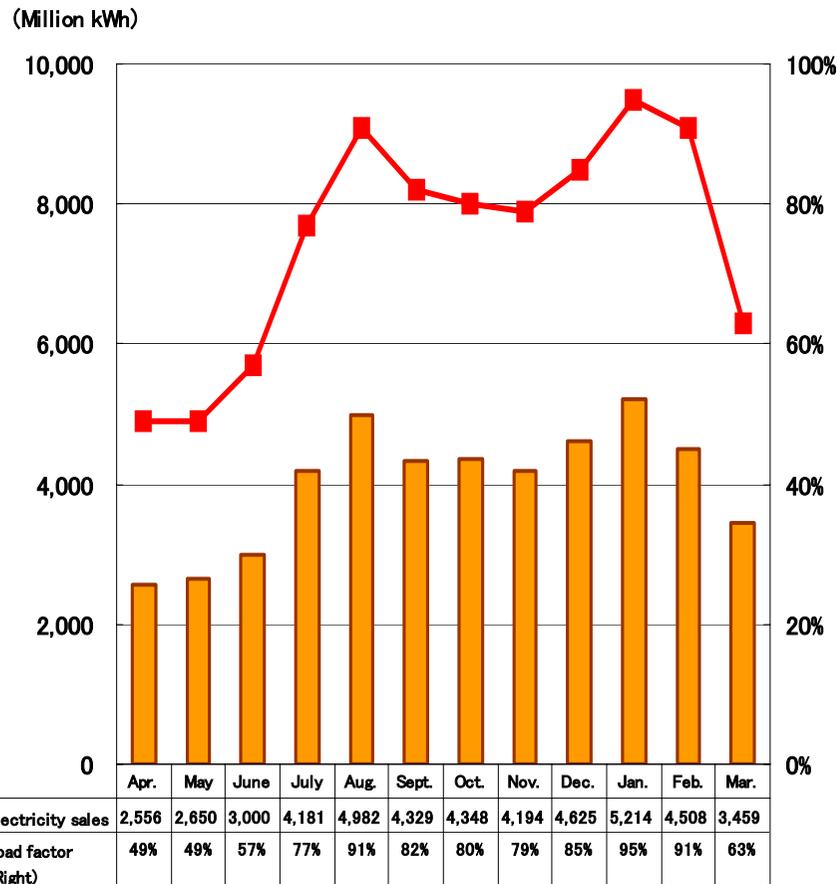
▶ Thermal Power: Apr.2006 - Mar. 2007 Results (Cumulative)

Load factor ⇒ 75%
Electricity sales ⇒ 48.0B kWh

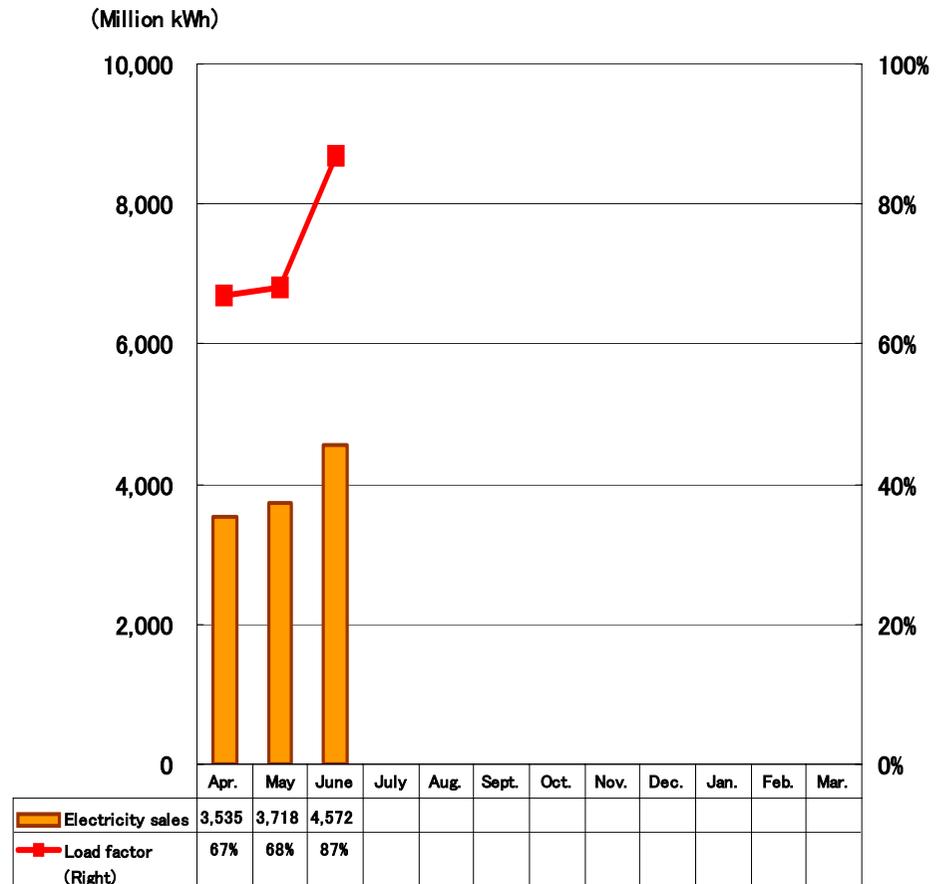
▶ Thermal Power: Apr.2007 - Jun.2007 Results (Cumulative)

Load factor 74 %
Electricity sales 11.8B kWh

Thermal Power: Monthly Electricity Sales



Thermal Power: Monthly Electricity Sales



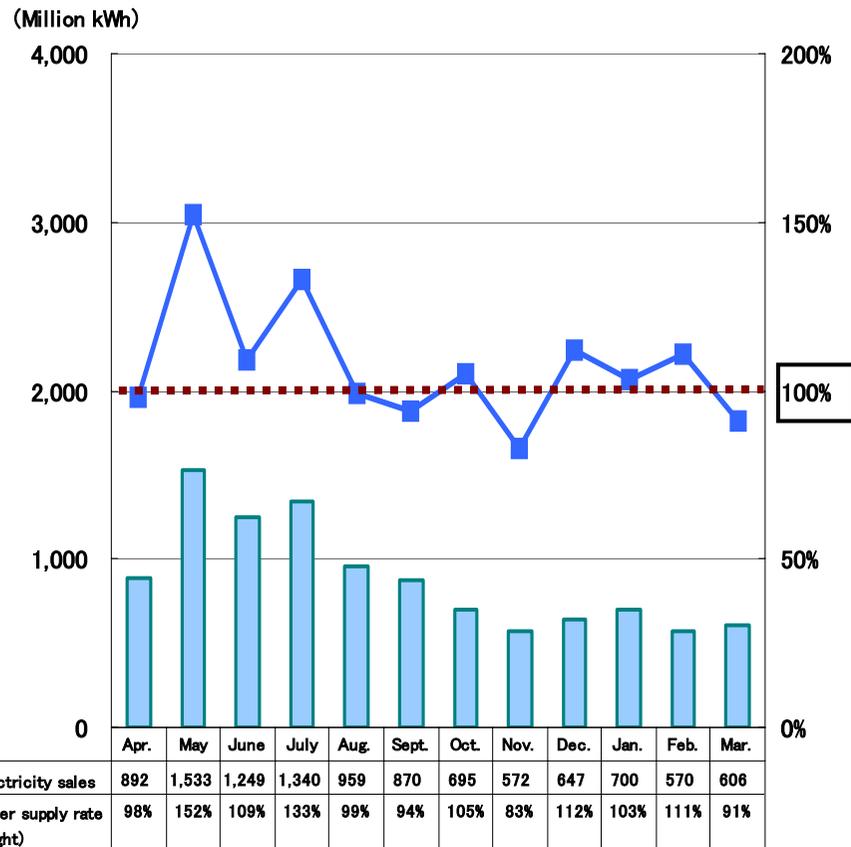
【 Wholesale Electric Power Business: Monthly Electricity Sales 】



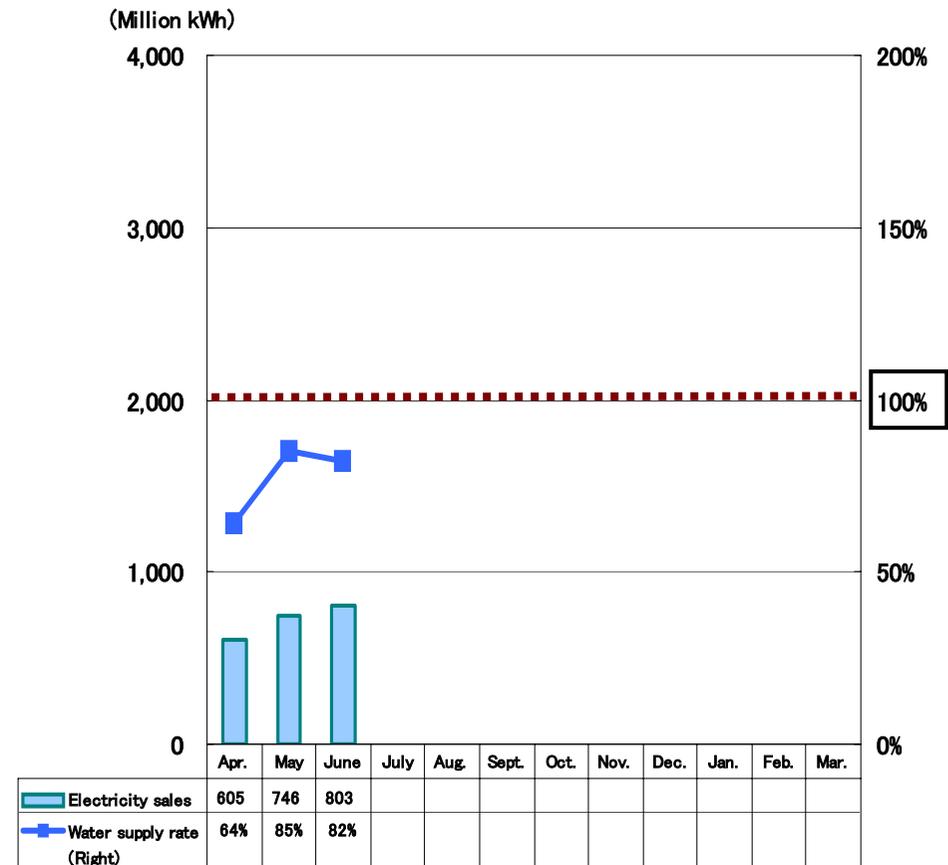
- ▶ Hydroelectric Power: Apr.2006 - Mar.2007
Results (Cumulative)
Water supply rate ⇒ 112%
Electricity sales ⇒ 10.6B kWh

- ▶ Hydroelectric Power: Apr.2007 - Jun.2007
Results (Cumulative)
Water supply rate 77%
Electricity sales 2.2B kWh

Hydroelectric Power: Monthly Electricity Sales

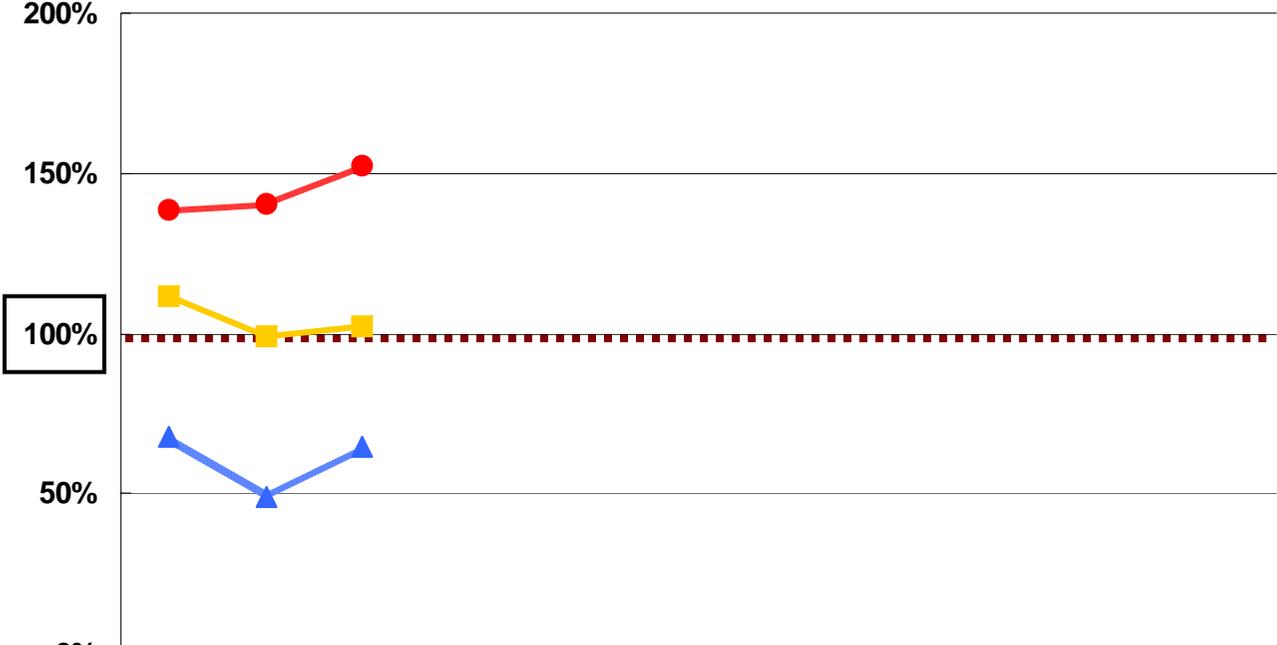


Hydroelectric Power: Monthly Electricity Sales



Wholesale Electric Power Business: Changes in Monthly Electricity Sales

**Year-on-year Comparison of Monthly Electricity Sales :
Thermal Power and Hydroelectric Power**



	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Cumulative Apr.- Jun.
 Year-on-year (Hydro)	68%	49%	64%										59%
 Year-on-year (Thermal Power)	138%	140%	152%										144%
 Year-on-year Total	111%	99%	102%										104%

【 Other Electric Power Businesses: Monthly Electricity Sales 】



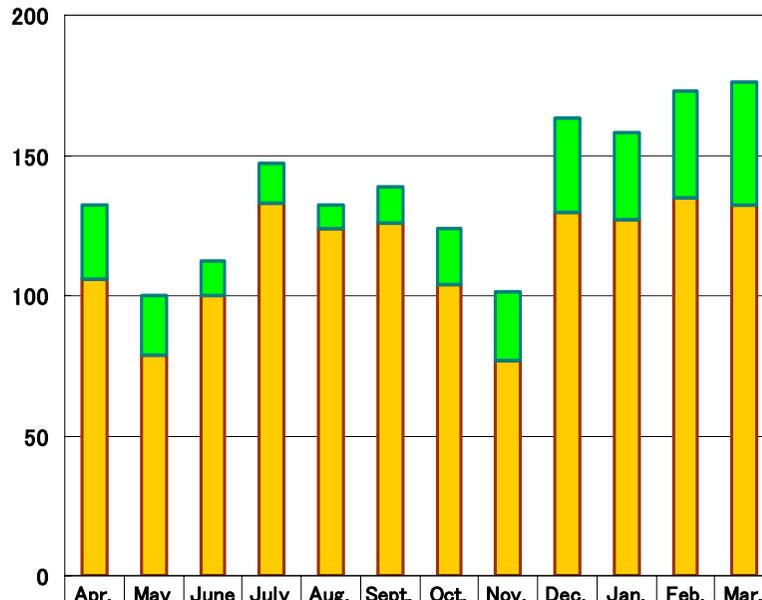
▶ Other Electric Power Businesses (IPP, for PPS, Wind Power):

Total Electricity Sales
(Cumulative Apr.2006 - Mar.2007)
 ⇒ 1.7 B kWh

Total Electricity Sales
(Cumulative Apr.2007 - Jun.2007)
 0.3 B kWh

Other Electric Power Businesses:
 Monthly Electricity Sales

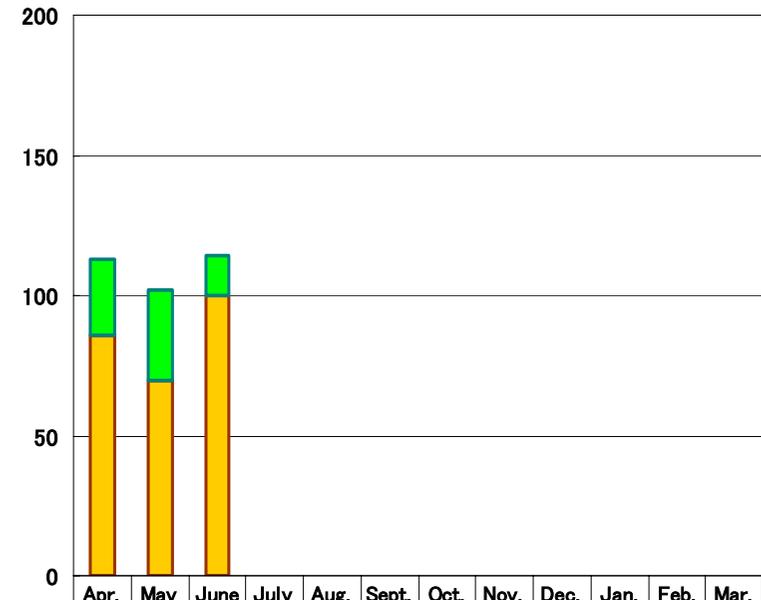
(Million kWh)



■ Wind Power Electricity Sales	26	21	12	14	8	13	20	24	33	31	38	44
■ Thermal Power (IPP,for PPS) Electricity Sales	106	79	100	133	124	126	104	77	130	127	135	132

Other Electric Power Businesses:
 Monthly Electricity Sales

(Million kWh)



■ Wind Power Electricity Sales	27	32	14									
■ Thermal Power (IPP,for PPS) Electricity Sales	86	70	100									

Note: Does not take proportion of equity holdings into account

【Major financial data : Consolidated】



(Unit : ¥100 million)

	FY2003	FY2004	FY2005	FY2006	FY2006 Q1	FY2007 Q1
《 P L 》						
Operating revenues	5,699	5,944	6,219	5,733	1,301	1,390
(EBITDA)※1	2,635	2,372	2,365	2,002	530	463
Operating income	1,321	1,119	1,015	771	228	181
Ordinary income	444	571	679	555	207	147
Net income	276	356	436	352	134	102
《 B S 》						
Shareholder's equity	3,596	3,913	4,330	4,612	4,442	4,624
Assets	20,761	20,217	19,647	19,998	19,779	19,986
Interest-bearing debt	15,929	14,980	14,082	14,215	14,235	14,249
《 C F 》						
Cash flows from operating activities	1,799	1,726	1,739	1,572	297	312
Cash flows from investing activities	-645	-606	-723	-1,554	-409	-213
Cash flows from financing activities	-1,475	-1,118	-1,036	-22	60	-14
FCF ※2	1,154	1,121	1,016	18	-112	99
Depreciation	1,314	1,253	1,350	1,231	302	283
Capital expenditures	462	509	609	907	310	153
《Group Employees》※3	5,871	5,925	5,868	6,484	—	—

※1 EBITDA = Operating income + Depreciation

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

※3 All subsidiaries were made consolidated subsidiaries in FY2006, which became a primal cause of year-on-year increase in FY2006.

【Key ratios and Primary data】



【 Key ratios : Consolidated】	FY2003	FY2004	FY2005	FY2006	FY2006 Q1	FY2007 Q1
Ordinary Income/Operating Revenues(%)	7.8%	9.6%	10.9%	9.7%	15.9%	10.5%
Shareholders' equity ratio(%)	17.3%	19.4%	22.0%	23.1%	22.5%	23.1%
D/E ratio	4.4	3.8	3.3	3.1	3.2	3.1
ROE(%)	10.5%	9.5%	10.6%	7.9%	—	—
ROA(%)	1.29%	1.74%	2.20%	1.80%	—	—
EPS(¥)	304.9※1	255.0	260.8※2	211.1	80.3	61.0
BPS(¥)	2,590.0	2,818.0	2,598.9※2	2,769.0	2,667.1	2,776.5

※1: We've expanded shareholder equity by increasing capital through a third-party allocation of shares in December 2003.

※2: Effective March 1, 2006, we carried out a 1.2-for-1 stock split.

These figures are calculated based on the assumption that the said stock split was carried out at the beginning of that year.

【 Primary data 】	FY2003	FY2004	FY2005	FY2006	FY2006 Q1	FY2007 Q1
Coal:						
Amount purchase (10 thousand ton)	1,828	1,969	2,136	1,890	—	—
Load factor of coal-fired thermal power plants (%)	75%	77%	84%	75%	52%	74%
Water supply rate (%)	109%	118%	90%	112%	122%	77%
Australian coal price (FOB, US\$) ※1	26.75	45.00	52.5~54.0	52.0~53.0	52.0~53.0	55.0~56.0
Average Exchange rate (¥/\$) ※2	113	108	113	117	116	121

※1: Reference price

※2: TTM

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

	FY2003	FY2004	FY2005	FY2006	FY2006 Q1	FY2007 Q1
Electric power sales (million kWh)						
Wholesale electric power business	58,787	60,517	62,627	58,672	11,881	13,980
Hydroelectric	10,850	11,172	8,583	10,633	3,675	2,155
Thermal	47,937	49,345	54,044	48,039	8,206	11,825
Other electric power business	517	965	1,701	1,657	345	328
Total	59,305	61,483	64,328	60,329	12,226	14,308
Electric power revenues (100 million yen)						
Wholesale electric power business	4,535	4,763	4,951	4,500	1,037	1,114
Hydroelectric	1,358	1,371	1,268	1,235	336	310
Thermal	3,177	3,392	3,683	3,265	702	805
Other electric power business	45	87	165	169	40	38
Transmission	634	612	583	552	138	135
Total	5,213	5,462	5,698	5,221	1,215	1,288
Generation capacity (MW)						
Wholesale electric power business	16,375	16,375	16,375	16,380	16,380	16,380
Hydroelectric	8,551	8,551	8,551	8,556	8,556	8,556
Thermal	7,825	7,825	7,825	7,825	7,825	7,825
Other electric power business	134	375	495	561	495	561
Total	16,509	16,750	16,870	16,941	16,875	16,941

【 Revenues and Expenses : Consolidated 】



(Unit : ¥100 million)

	FY2003	FY2004	FY2005	FY2006	FY2006 Q1	FY2007 Q1
Operating revenues	5,699	5,944	6,219	5,733	1,301	1,390
Electric power operating revenues	5,229	5,480	5,732	5,238	1,218	1,290
Other operating revenues	469	464	487	495	83	100
Operating expenses	4,377	4,825	5,204	4,961	1,074	1,210
Electric power operating expenses	3,865	4,317	4,697	4,445	977	1,094
Personnel expenses	422	338	213	272	75	77
Fuel cost	859	1,166	1,608	1,499	261	403
Repair expense	287	475	387	412	117	108
Outsourcing expenses	262	340	314	318	70	68
Depreciation and amortization cost	1,284	1,220	1,315	1,186	292	272
Others	751	778	860	758	162	165
Other operating expenses	513	508	507	517	97	116
Operating income	1,321	1,119	1,015	771	228	181
Non-operating revenues	41	39	76	130	36	46
Non-operating expenses	918	587	412	346	57	80
Interest expenses	835	509	357	226	54	58
Others	82	78	54	121	3	22
Ordinary income	444	571	679	555	207	147



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