

FY2007 Interim Earnings Results Presentation



Electric Power Development Co., Ltd.

November 6, 2007

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.

I. Summary of FY2007 Interim Earnings Results

Key Points regarding Interim FY2007 Consolidated Earnings Results



▶ **Increase in Operating Revenues and Ordinary Income but decline in Operating Income (year on year comparison):**

While repair expense and others decreased largely, lower water flow in hydroelectric power and increase in coal procurement costs in thermal power resulted in a 1.5 billion yen fall in operating income. On the other hand, the steady contribution of overseas power generation business resulted in an overall increase of 3.2 billion yen in ordinary income.

Main factors for the decline in operating income

- (Negative)
 - Lower water flow, rate reductions for hydroelectric and transmission in Sep. 2007
 - Increase in coal procurement costs due to heavy congestion at loading ports (emergency purchases of alternative coal, additional charter of coal carrier)
 - Decrease in amortization of actuarial difference in retirement benefits, etc.
- (Positive)
 - Decrease in thermal power repair expense, and others.

Main factors for the rise in ordinary income

- Increase in income from overseas power generation business
- Sale of wind power generation business in Spain, and others.

* Comparison with the earnings forecast for the interim period:

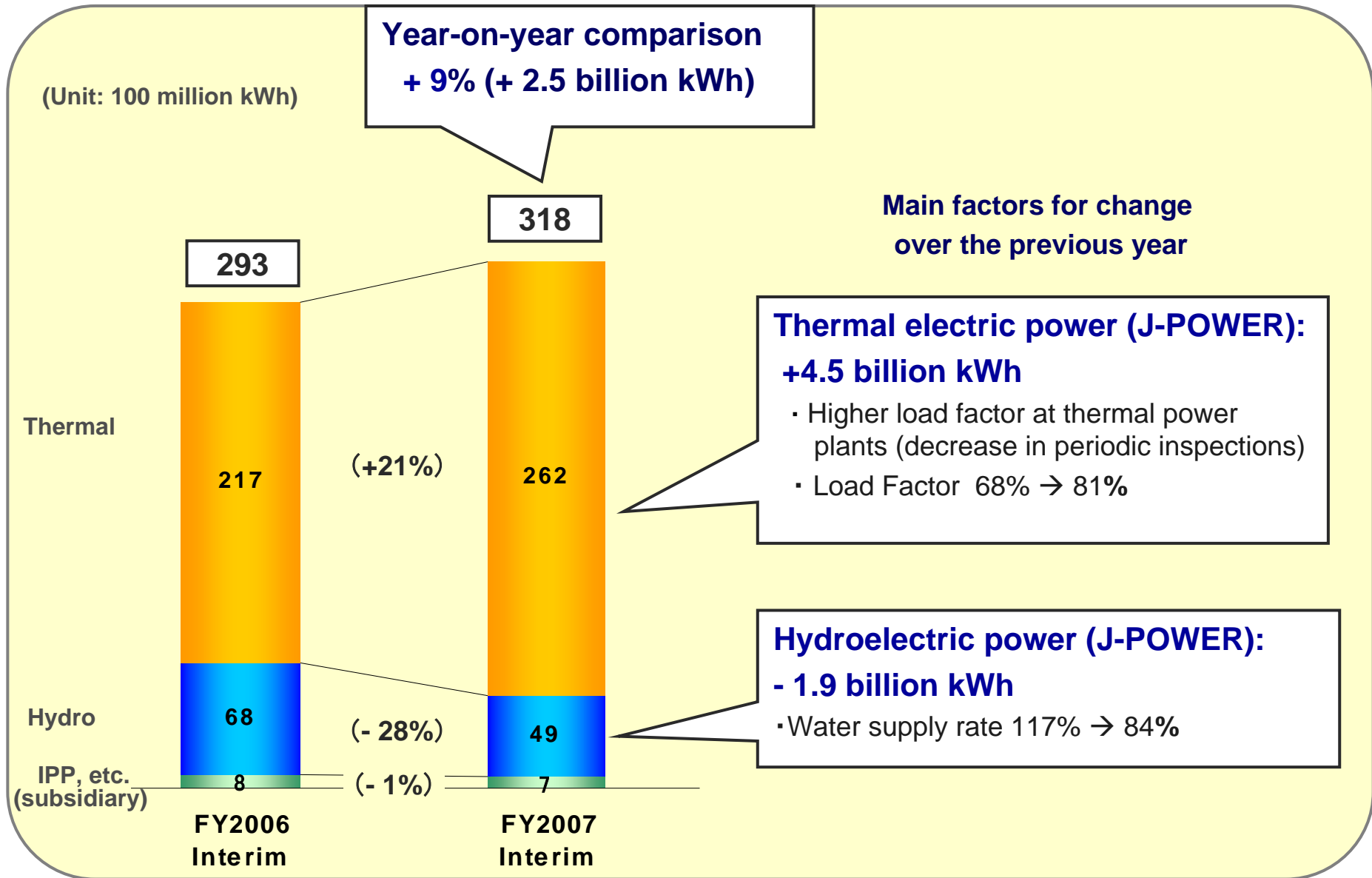
Surpassed the initial forecast despite lower water flow and increase in coal procurement costs, mainly due to cost reductions and increased income from overseas power generation businesses as well as delayed costs anticipated to fall in the second half of the year.

Summary of Interim Earnings Results (consolidated)

(Unit: ¥100 million)

	FY2006	FY2007		Year-on-year change	
	Result (Apr.-Sep.)	Forecast (Apr.-Sep.)	Actual (Apr.-Sep.)	Increase/ Decrease	Increase/ Decrease(%)
Operating Revenues	2,770	2,830	2,969	199	7.2%
Operating Income	441	410	426	-15	-3.4%
Ordinary Income	373	380	404	32	8.5%
Net Income	236	250	273	36	15.4%

Electric Power Business Consolidated Sales

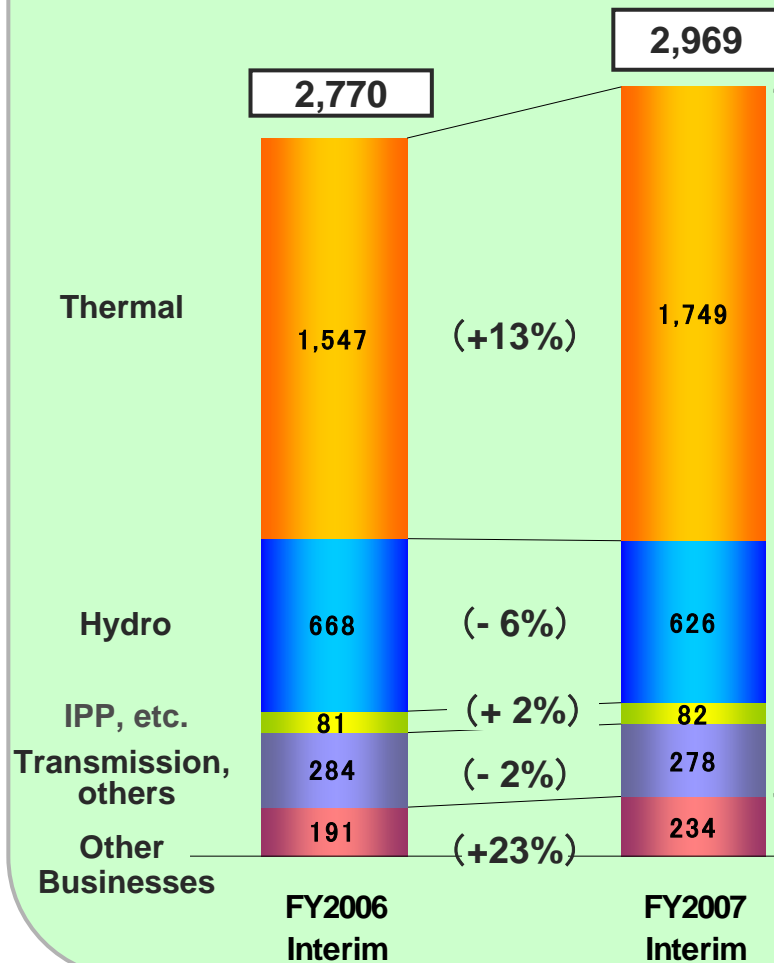


Causes of Change in Consolidated Operating Revenues



(Unit: ¥100 million)

**Year-on-year comparison
+7% (+19.9 billion yen)**



Main factors for change over the previous year

Electric Power Business : + 15.6 B yen

Thermal power (J-POWER) +20.2 B yen

- Increase in sales due to higher load factor at power plants (decrease in periodic inspections)
- Gradual decline of the fixed portion of rates

Hydroelectric power (J-POWER) -4.2 B yen

- Decrease in sales due to lower water flow and rate reductions

IPP, for PPS, wind power (subsidiaries)

+0.1 B yen

Transmission, others (J-POWER) -0.5 B yen

Other Businesses* : + 4.3 B yen

- Mainly due to Increase in external sales by subsidiaries

*The segments "Electric Power Related Businesses" and "Other Businesses" are Included in "Other Businesses" (see Slide on Page 7).

Consolidated Income: comparison



(Unit: ¥100 million)

		FY2006	FY2007	Year-on-year	Main Factors for Change
		Interim (Apr.-Sep.)	Interim (Apr.-Sep.)	Increase/ Decrease	
Ordinary Revenues	Operating Revenues	2,770	2,969	199	
	Electric power business	2,579	2,735	156	Higher load factor at thermal power plants and lower water flow at hydroelectric power plants
	Other businesses	191	234	43	Mainly due to Increase in external sales by subsidiaries
	Non-operating Revenues	56	122	66	
	Equity income of affiliates	22	54	31	Increase in overseas power generation businesses
	Others	34	69	35	Mainly due to sale of wind power generation business in Spain
	Total Ordinary Revenues	2,827	3,092	265	
Ordinary Expenses	Operating Expenses	2,329	2,543	214	
	Electric power business	2,116	2,291	175	
	Personnel expenses	141	153	11	Decrease in amortization of actuarial difference in retirement benefits
	Fuel cost	677	936	258	Mainly due to high load factor at thermal plants, rise in coal prices
	Repair expense	224	154	-71	Decrease in periodic inspections at thermal power plants
	Outsourcing expenses	144	139	-5	
	Depreciation	589	548	-41	Decrease due to progress in depreciation, increase due to reform of tax law
	Others	340	362	22	Mainly due to increase in waste treatment expenses
	Other businesses	213	252	39	Increase in expenses of subsidiaries
	Non-operating expenses	125	144	19	
	Interest expenses	110	117	6	
	Others	14	27	13	Mainly due to increase in non-business expenses.
	Total ordinary expenses	2,454	2,687	233	
Ordinary Income	373	404	32		

Summary of Consolidated Results by Segment



▶ Electric Power Business

Wholesale power business: J-POWER's hydroelectric, thermal power, and transmission business. Most consolidated revenue is derived from this segment.

Other electric power businesses: Subsidiaries' thermal power(IPP, for PPSs) and wind power.

▶ Electric Power-Related Businesses

These focus on peripheral businesses essential for the operation of power plants and transmission facilities, such as designing, executing, inspecting and maintaining power facilities and importing and transporting coal.

(Year on year comparison)

Sales: Up 15.7% on the previous year due to an increase in coal sales revenue from consolidated subsidiaries.

Operating Income: Down 54.1% on the previous year due mainly to decrease in volume of plant maintenance carried out by subsidiaries

▶ Other Businesses

Diversified businesses such as telecommunication, environmental, and investing in overseas power generation.

(Year on year comparison)

Sales: Up 45.3% on the previous year due to an increase in external sales by consolidated subsidiaries.

Operating Income: Increase of 500 million yen due to increases in sales.

Operating Revenues

(Unit: ¥100 million)

	FY2006	FY2007	Year-on-year change	
	Interim (Apr.-Sep.)	Interim (Apr.-Sep.)	Increase/ decrease	Increase/ decrease(%)
Electric Power Business	2,595	2,751	156	6.0%
Electric Power-Related Businesses	1,101	1,275	173	15.7%
Other Businesses	95	138	43	45.3%
Subtotal	3,791	4,163	372	9.8%
Eliminations	-1,021	-1,194	-173	-
Consolidated	2,770	2,969	199	7.2%

Operating Income

(Unit: ¥100 million)

	FY2006	FY2007	Year-on-year change	
	Interim (Apr.-Sep.)	Interim (Apr.-Sep.)	Increase/ decrease	Increase/ decrease(%)
Electric Power Business	375	384	9	2.4%
Electric Power-Related Businesses	65	30	-35	-54.1%
Other Businesses	-2	3	5	-
Subtotal	438	417	-21	-4.8%
Eliminations	3	9	6	-
Consolidated	441	426	-15	-3.4%

Consolidated Cash Flow



- ▶ Although capital expenditures increased due to factors such as construction of the Ohma Nuclear Power Plant, overall investment spending declined by 11.7 billion yen compared to the same period of the previous year due mainly to decrease in investment and loans to overseas power generation businesses.

Year on year comparison, main factors for change : cash impact

- ▶ Increase in capital expenditure (Ohma Nuclear, Isogo New No. 2, etc.) : -19.6 billion yen
 - ▶ Decrease in investment and loans to overseas power businesses, etc : +21.8 billion yen
 - ▶ Increase in proceeds from collections of investments (sale of wind power business in Spain, transfer of a part of ownership in US power companies (Tenaska and Elwood)) : +13.5 billion yen
- ▶ Free cash flow up 8.5 billion yen to 7.1 billion yen compared with first half of FY 2006.

(Unit: ¥100 million)

	FY2006 Interim (Apr.-Sep.)	FY2007 Interim (Apr.-Sep.)	Year-on- year Change	Main Factors for Change
Operating activities (A)	727	695	-31	Decrease in depreciation cost
Investing activities (B)	-741	-625	117	Increase in capital expenditure, decrease in investment and loans
Financing activities	-20	52	73	Increase in borrowings, redemption of corporate bonds
Free Cash Flow (A+B)	-15	71	85	

Consolidated Balance Sheet



- ▶ Although there was a fall in the total value of existing assets due to progress in depreciation, an increase in capital investment for Ohma Nuclear, Isogo New No. 2 and others resulted in a 7.3 billion yen increase in overall assets in comparison with assets at the previous year end.
- ▶ Shareholders' equity ratio improved to 24.1%.

(Unit: ¥100 million)

	FY2006 As of March 31	FY2007 Interim (Apr.-Sep.)	change from prior year end incr./decr.	Main Factors for Change	
Assets	Fixed assets	18,618	18,429	-190	
	Electric power business	13,520	13,025	-495	Decrease due to progress in depreciation
	Other businesses	337	410	73	Additional facilities at subsidiaries
	Construction in progress	2,487	2,932	445	Ohma Nuclear, Isogo New No.2
	Investments, etc.	2,274	2,062	-213	Decrease due to transfer of a part of ownership in US power companies.
	Current assets	1,380	1,642	262	Increase in cash equivalents and accounts receivable
Total	19,998	20,071	73		
Liabilities	Interest-bearing debt	14,215	14,063	-152	Increase in corporate bonds, decrease due to transfer of a part of ownership in US power companies.
	Other	1,156	1,141	-15	Decrease in accrued accounts
	Total	15,371	15,204	-167	
Net Assets	Minority interests	15	23	8	
	Shareholders' equity	4,612	4,844	232	Increase in retained earnings
	Total	4,627	4,867	240	
Grand Total	19,998	20,071	73		
D/E ratio (x)	3.1	2.9			
Shareholders' equity ratio	23.1%	24.1%			

II. Summary of FY2007 Earnings Forecast

FY2007 Consolidated Earnings Forecast



▶ Comparison with Initial Forecast:

We are revising our full-year earnings forecast downward in anticipation of the impact of hydroelectric power and transmission rate reductions, effective Sep. 2007, as well as increased coal procurement costs.

Main factors for the adjustments in full-year earnings forecast

- (Negative) • Decrease in hydroelectric power sales due to lower water flow (water supply rate: 89%)
- Rate reductions in hydroelectric power and transmission (effective Sep. 2007)
 - Increase in coal procurement costs due to heavy congestion at loading ports (emergency purchases of alternative coal, additional charter of coal ship)

(Positive) • Increase in income from overseas power generation business, etc.

We are committed to making group-wide efforts to further lower costs in pursuit of improving the bottom line.

FY2007 Consolidated Full-Year Forecast

(Unit: ¥100 million)

	FY2006 Full-year Result	FY2007		Comparison with the initial full-year forecast	
		Forecast (Initial)	Forecast (Current)	Increase/ decrease	Increase/ decrease (%)
Operating Revenues	5,733	5,680	5,890	210	3.7%
Operating Income	771	710	620	-90	-12.7%
Ordinary Income	555	550	520	-30	-5.5%
Net Income	352	370	340	-30	-8.1%

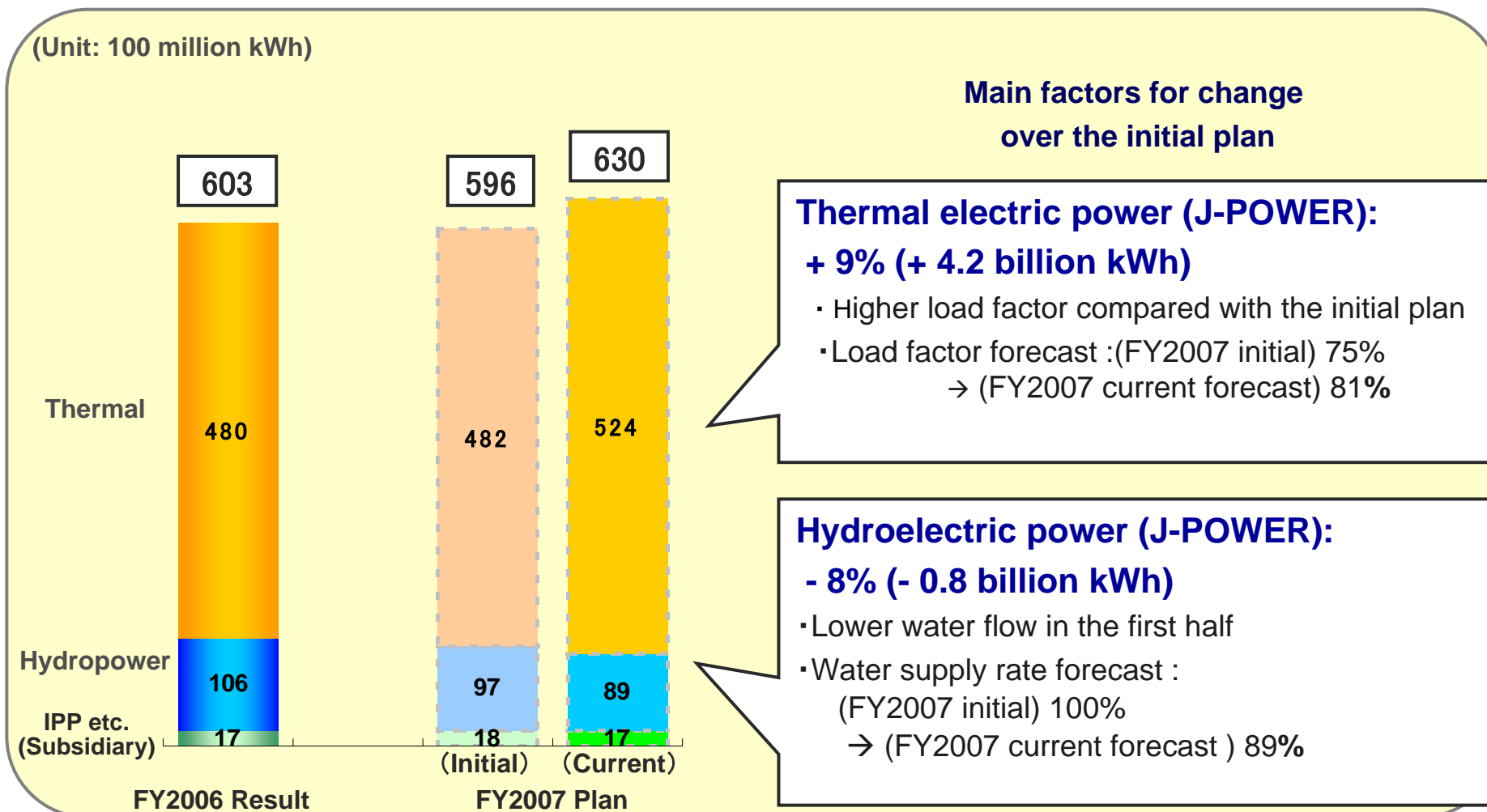
FY2007 Dividends Forecast

Interim	¥30
Year End	¥30 (E)
Annual	¥60 (E)

Consolidated Electric Power Sales Forecast



- ▶ Based on interim results, our full-year forecasts have been revised (+6% above the initial plan)
- ▶ + 4% from the previous year (+ 2.7 billion kWh) expected

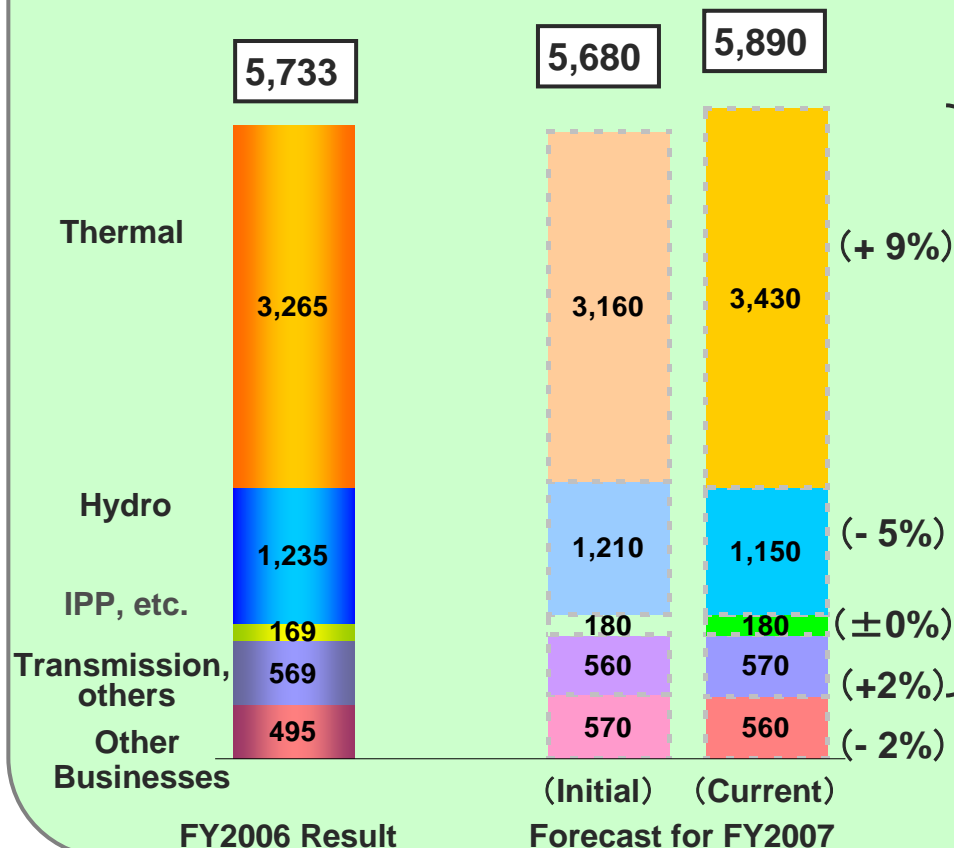


Consolidated Operating Revenues Forecast



- ▶ Based on interim results, our full-year forecasts have been revised (+3.7% above the initial plan)
- ▶ + 2.7% from the previous year (+ 15.7 billion yen) expected

(Unit: ¥100 million)



Main factors for change over the initial forecast

Electric power business:

+ 22.0 B yen (+ 4%)

Thermal power (J-Power) + 27.0 B yen

- Higher load factor compared with the initial plan

Hydroelectric power (J-Power)

- 6.0 B yen

- Decrease in sales due to lower water flow and rate reductions

Main factors for the variance in sales:

- 1% variation in load factor of thermal power ⇒ about 2.4 billion yen effect in net sales
- 1% variation in water supply rate of hydro-power ⇒ about 200 million yen effect in net sales

Other Businesses*: -1.0 B yen (-2%)

*The segments "Electric Power Related Businesses" and "Other Businesses" are Included in "Other Businesses" (see Slide on Page 7).

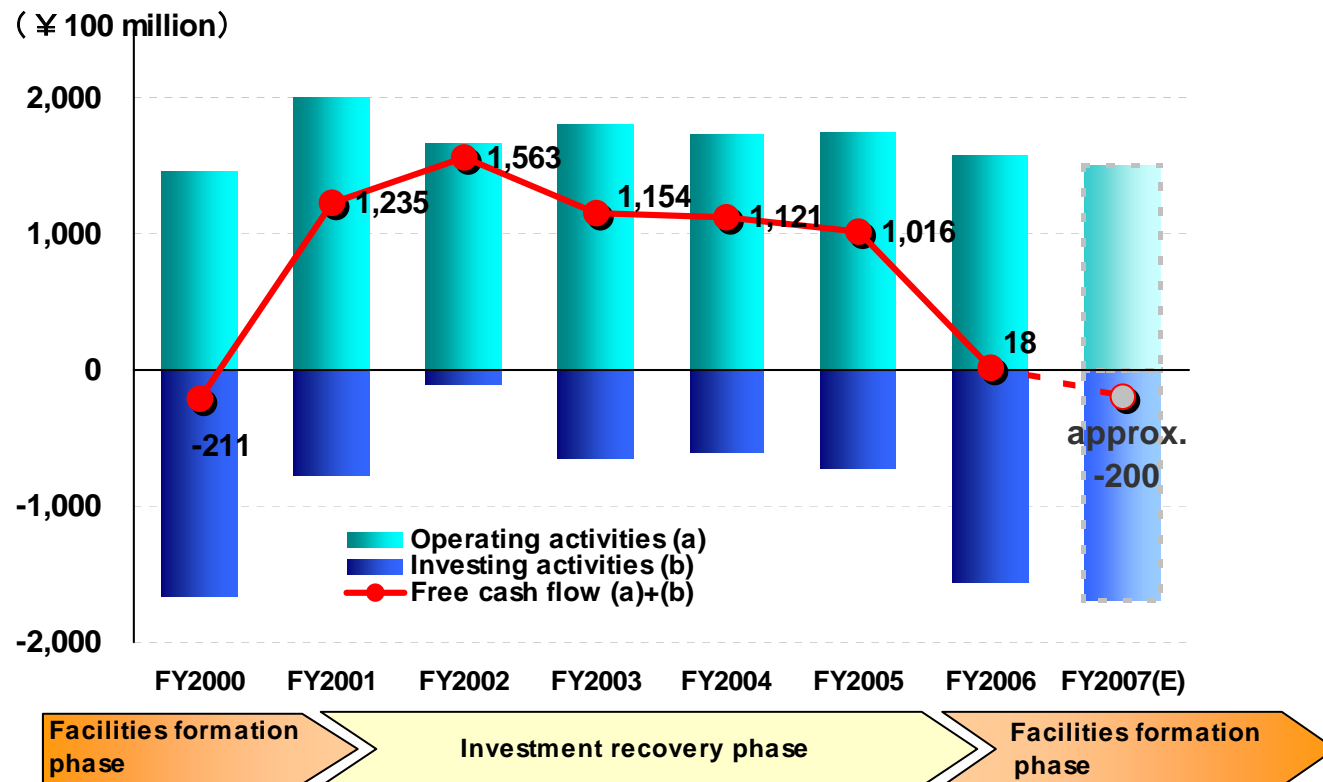
Consolidated: Cash Flow Outlook



▶ Although there is no significant variation in the full-year outlook for cash flow from operating activities, we expect an increase in cash flow from investing activities.

- Capital expenditures for Ohma Nuclear, Isogo New No. 2 and others are projected at planned levels
- Investments in overseas power generation business is expected to rise above initial plan

⇒ Adjustment of free cash flow to approximately -20 billion yen
(initial outlook: approximately -10 billion yen)



Overseas Power Generation Business: Forecast for Contribution to Full Year Results



- ▶ Steady growth in investment projects is gradually contributing more to earnings
- ▶ As of Sep.30, 2007: J-POWER is participating in 16 projects in 6 countries/region

	<u>FY2007 Interim results</u>	<u>FY2007 full-year forecast</u>
•Operating capacity (on an equity basis):	2,300MW	Approx.2,700MW
•Equity income:	5.3 Billion Yen	Approx.7.0 Billion Yen

Main results in the interim period

▶ United States

- ✓ May 2007: Establishment of a 50:50 JV with John Hancock Life Insurance Co.
⇒ As a result of the transfer of ownership in Tenaska and Elwood power companies, our stake decreased to 1/2
- ✓ Aug.2007: Agreed to acquire Green Country gas-fired power plant (795MW, 50%)

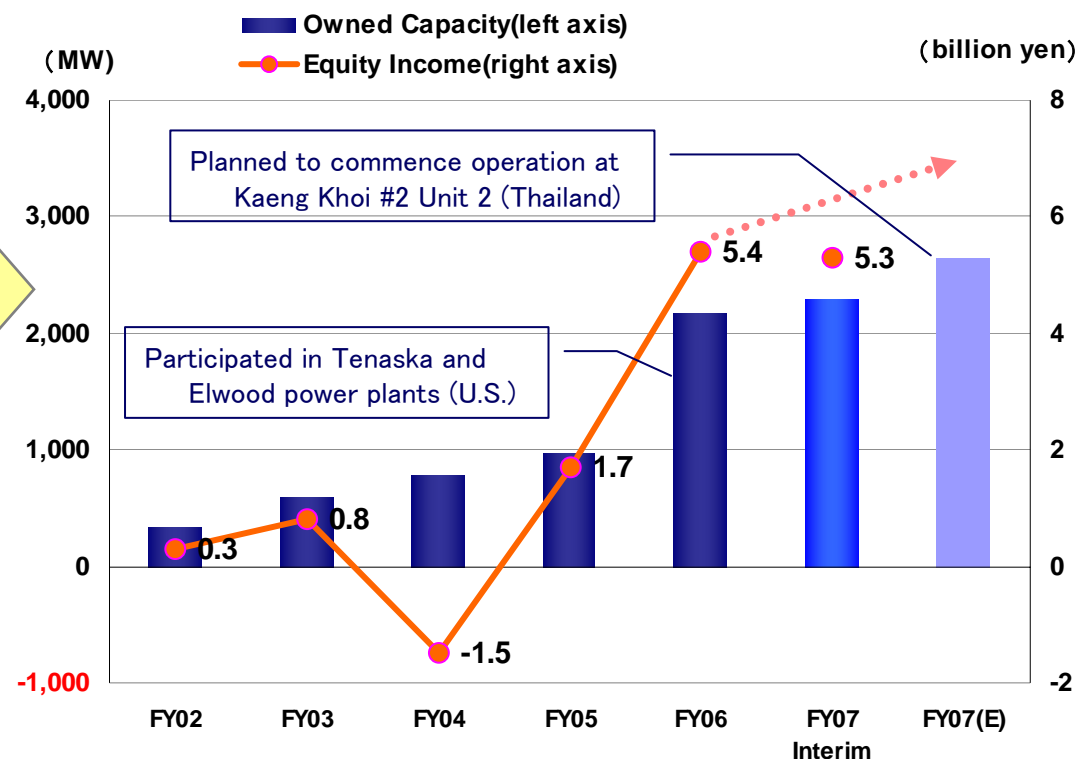
▶ Asia

- ✓ May 2007: Operation commenced at Kaeng Khoi #2 gas-fired plant unit 1 (734MW, 49%, Thailand)

▶ Europe

- ✓ Apr.2007: Start of construction on Zajaczkowo wind farm (48MW, 45%, Poland)
- ✓ June 2007: Sale of Galicia wind farms (64MW,50%, Spain)

Capacity of Overseas Facilities in Operation (On an equity basis) and Equity Income



*Parenthetical reference: (Output capacity, J-POWER's equity share, Country)

Consolidated: Management's Targets



▶ **Consolidated Ordinary Income**
 : Over 55.0 B yen (Average, FY2005-07)

➤ Despite the downward revision to our FY earnings forecast, the Group is working to exceed the three-year target. We aim to:

- Ensure stable earnings from domestic electric power businesses
- Increase profit contribution from overseas power generation business

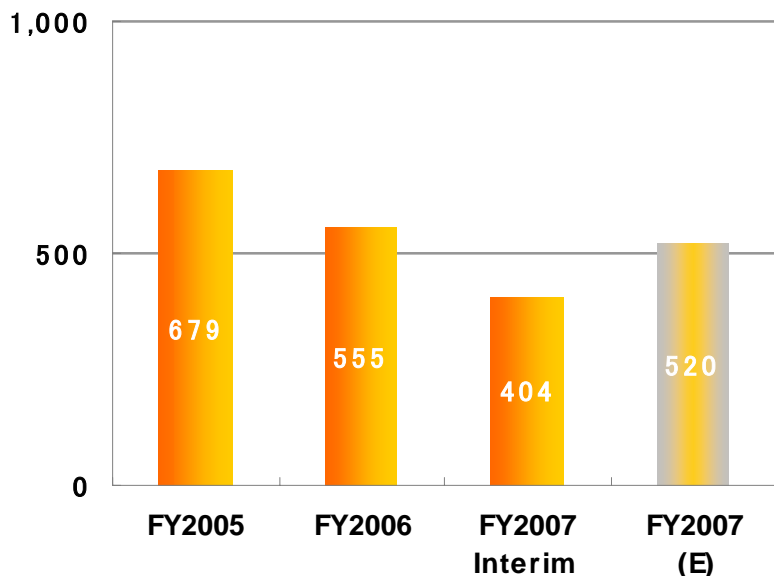
▶ **Consolidated Equity ratio**
 : Over 23% (by end of FY 2007)

➤ Having entered into “Facilities formation phase,” we need to further strengthen our equity base

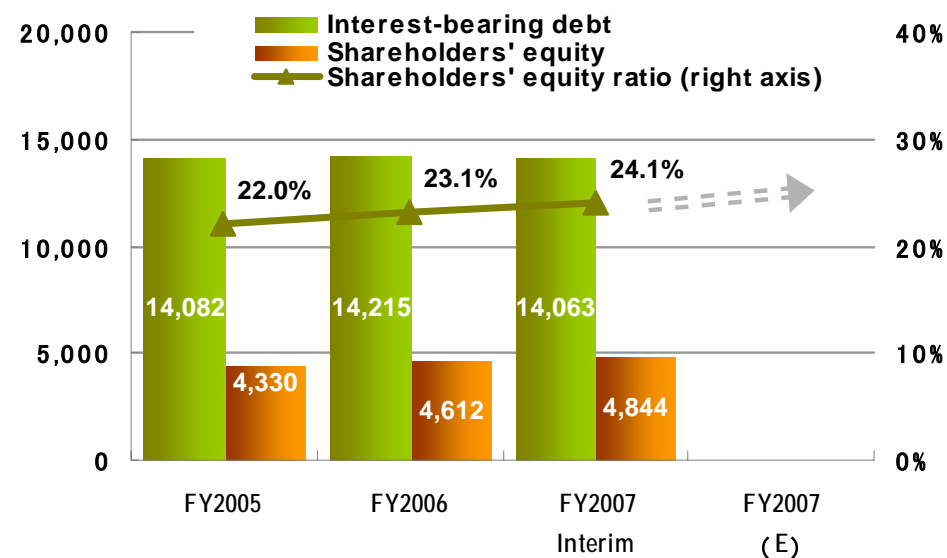
- To enable the company to access funds competitively as and when needed.
- To strengthen our ability to endure the risks of business expansion and diversification

⇒ We will continue efforts to improve our financial strength while seeking balance of capital structure.

(100 million Yen) **Consolidated Ordinary Income**



(100 million Yen) **Consolidated Equity Ratio**



APPENDIX

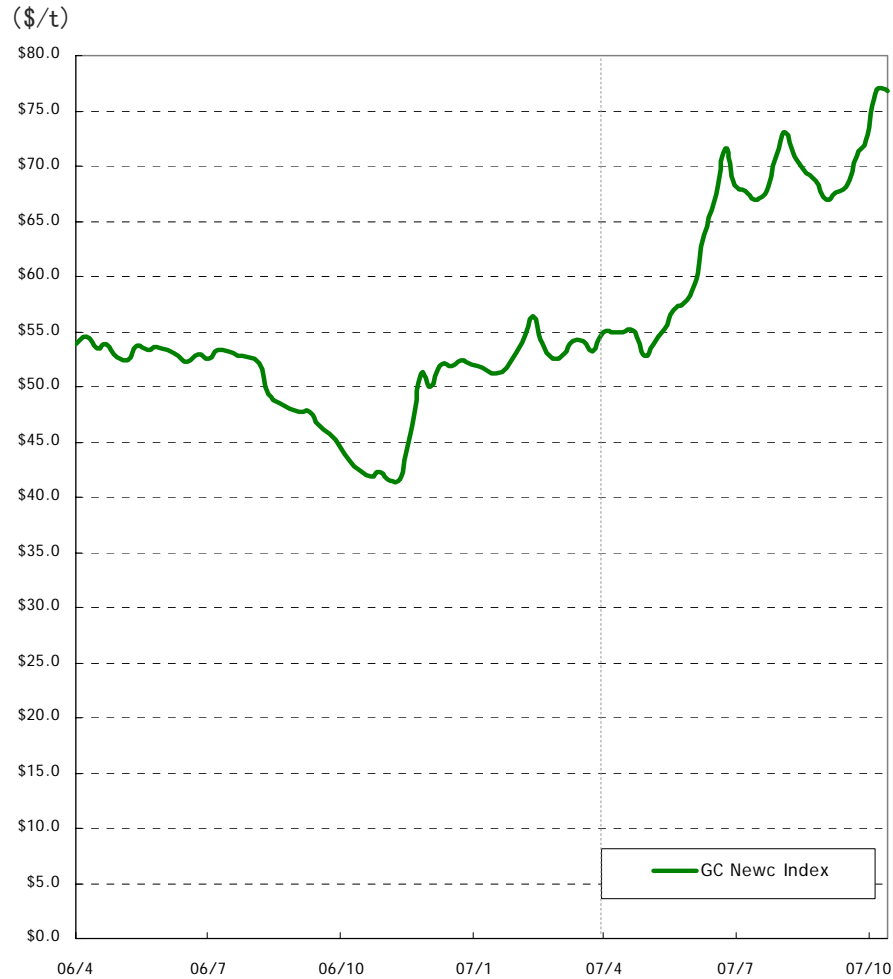
Trends of Australian Steam Coal Price and Charter Rate for Dry Bulk



▶ Australian coal price (Spot price)

- US\$40 to US\$50 level / t ⇒ US\$70 level / t

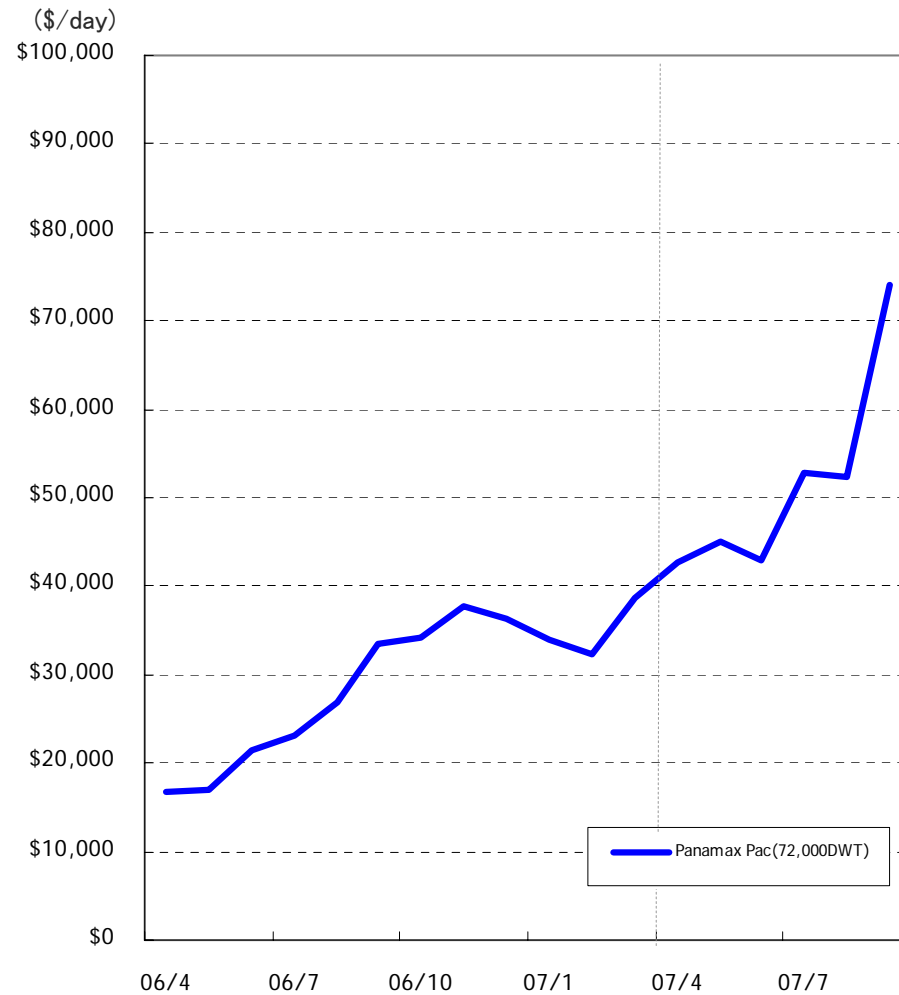
(Apr.2006 - Sep.2007)



▶ Charter Rate (Spot price/Panamax 72,000DWT)

- US\$10,000 level / day ⇒ US\$70,000 level / day

(Apr.2006 - Sep.2007)



Wholesale Electric Power Business: Monthly Electricity Sales



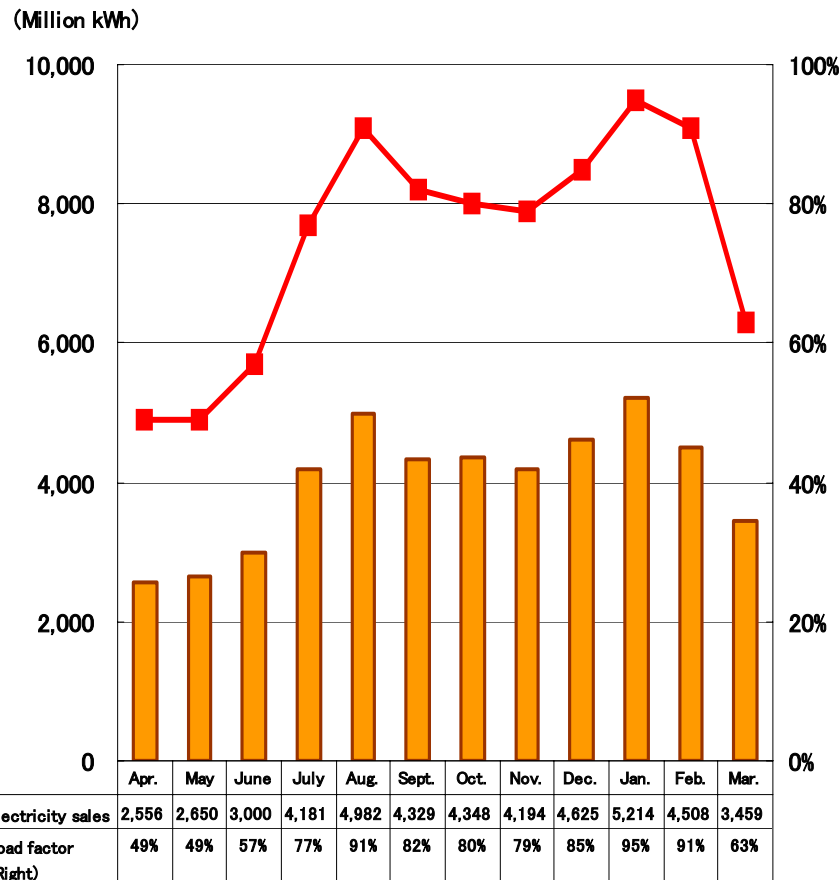
▶ Thermal Power: Apr.2006 - Mar. 2007 Results (Cumulative)

Load factor ⇒ 75%
Electricity sales ⇒ 48.0B kWh

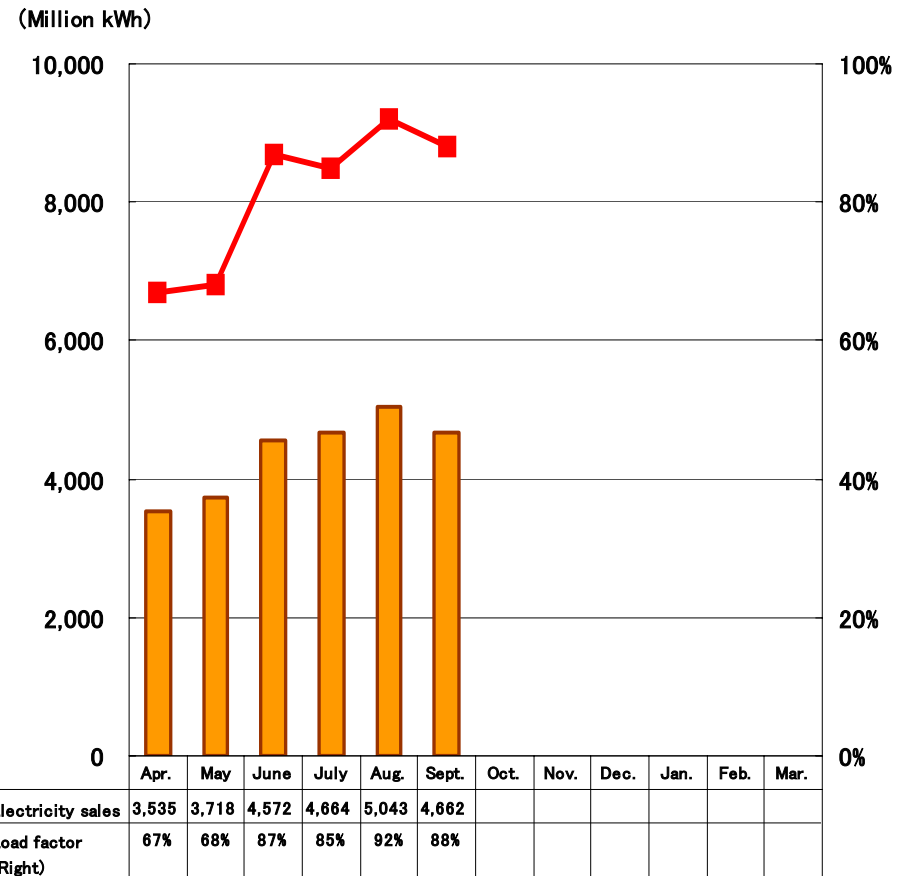
▶ Thermal Power: Apr.2007 – Sep.2007 Results (Cumulative)

Load factor 81 %
Electricity sales 26.2B kWh

Thermal Power: Monthly Electricity Sales



Thermal Power: Monthly Electricity Sales



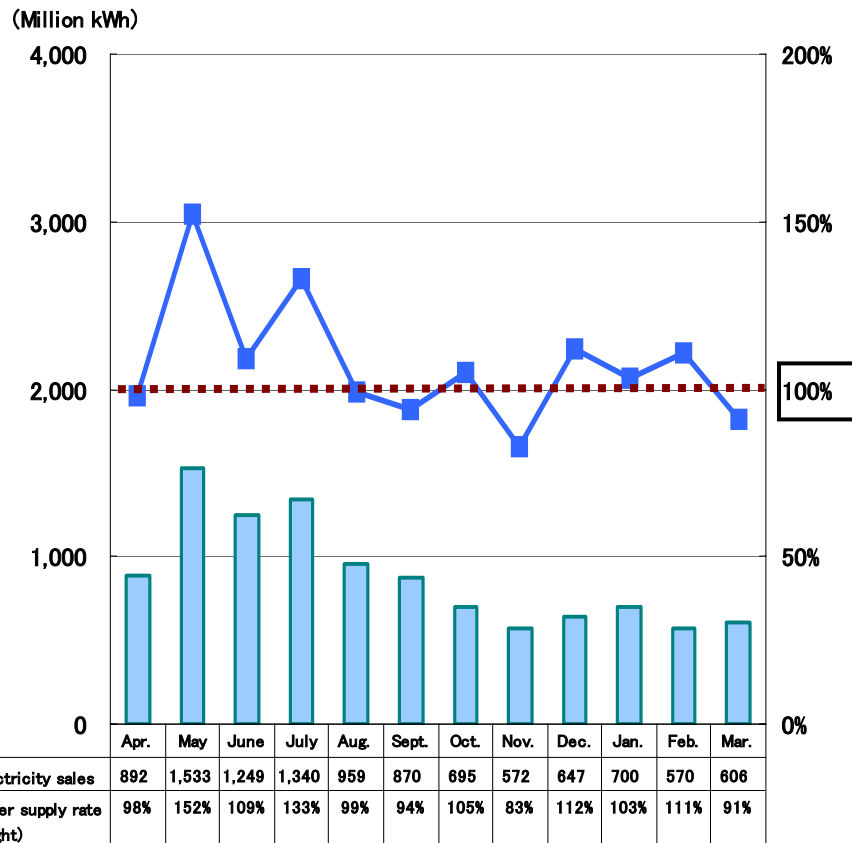
Wholesale Electric Power Business: Monthly Electricity Sales



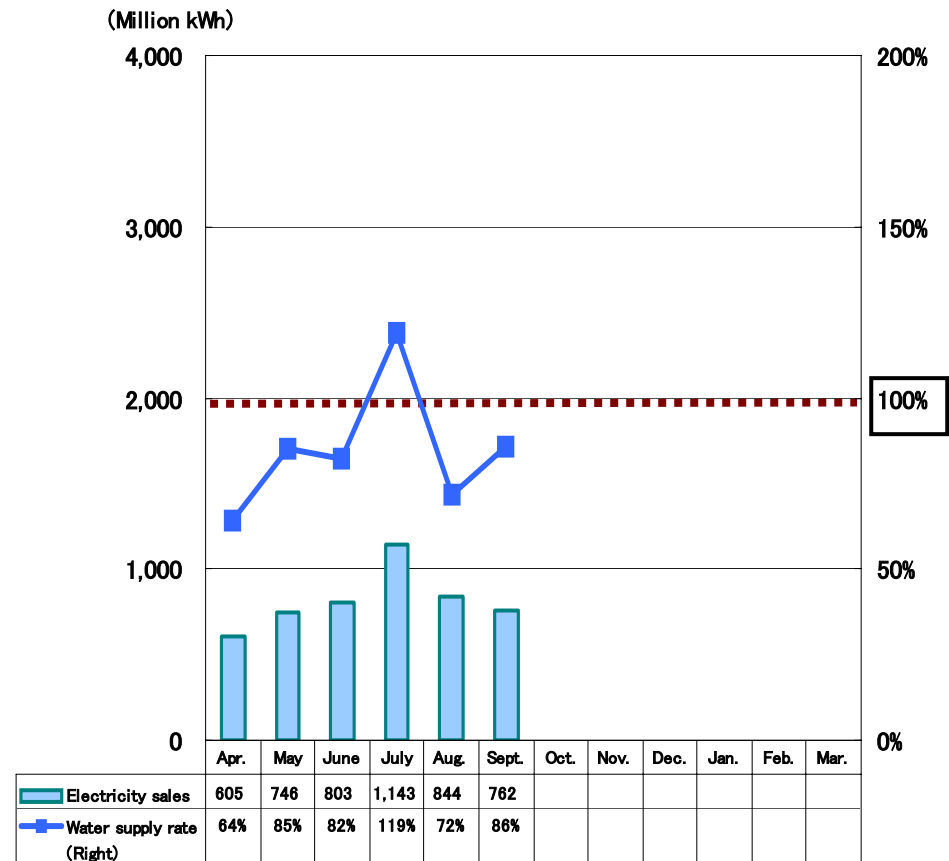
- ▶ Hydroelectric Power: Apr.2006 - Mar.2007
Results (Cumulative)
Water supply rate ⇒ 112%
Electricity sales ⇒ 10.6B kWh

- ▶ Hydroelectric Power: Apr.2007 - Sep.2007
Results (Cumulative)
Water supply rate 84%
Electricity sales 4.9B kWh

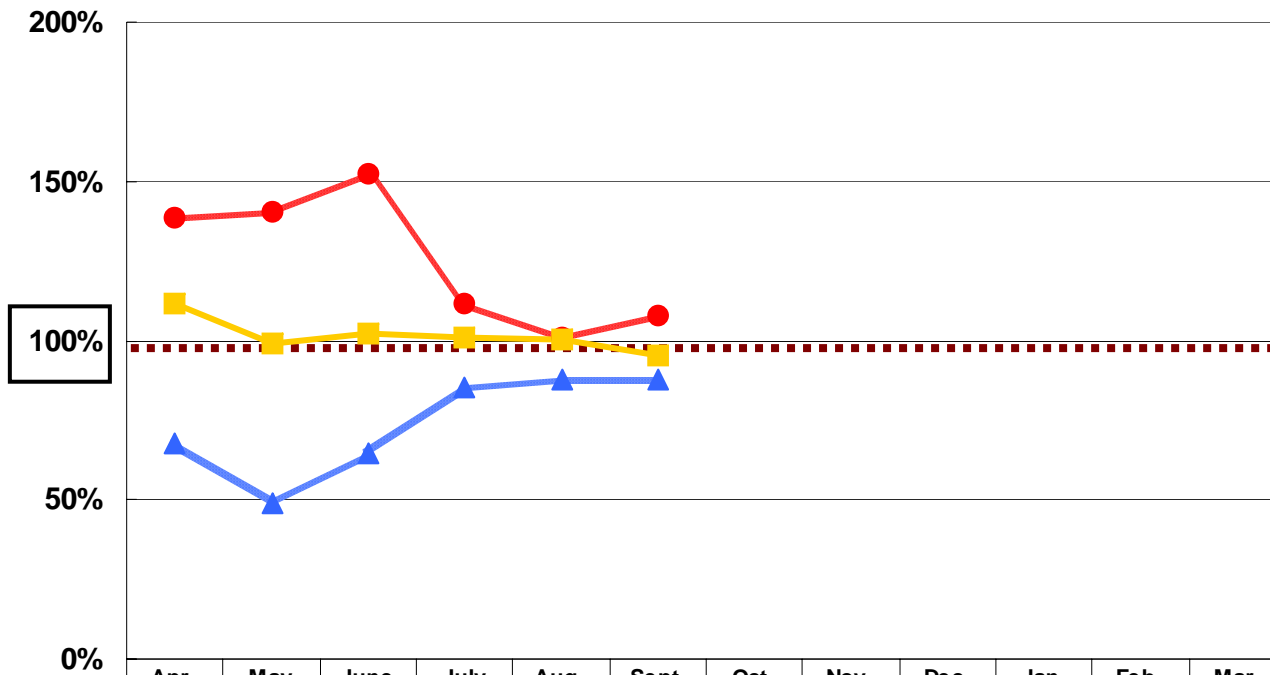
Hydroelectric Power: Monthly Electricity Sales



Hydroelectric Power: 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.
▲ Year-on-year (Hydro)	68%	49%	64%	85%	88%	88%						
● Year-on-year (Thermal Power)	138%	140%	152%	112%	101%	108%						
■ Year-on-year Total	111%	99%	102%	101%	100%	95%						

Other Electric Power Businesses: Monthly Electricity Sales



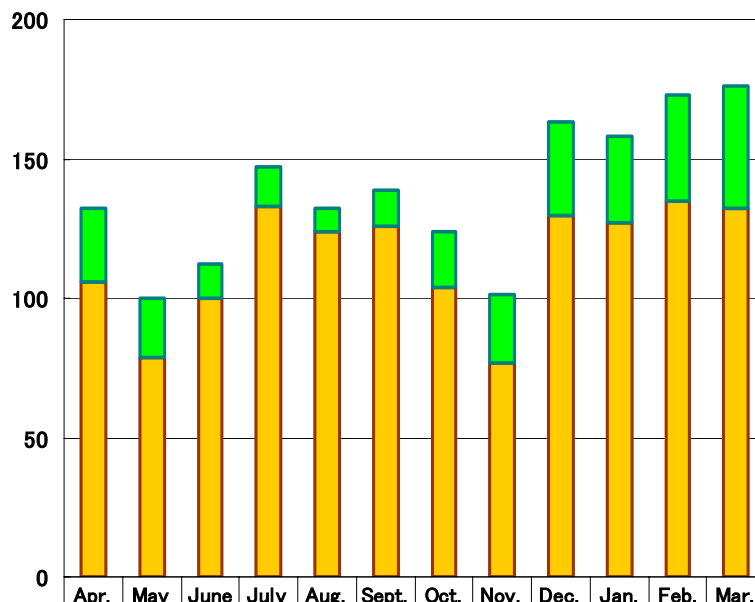
▶ Other Electric Power Businesses (IPP, for PPS, Wind Power):

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

Total Electricity Sales
 (Cumulative Apr.2007 - Sep.2007)
 0.75 B kWh

Other Electric Power Businesses:
 Monthly Electricity Sales

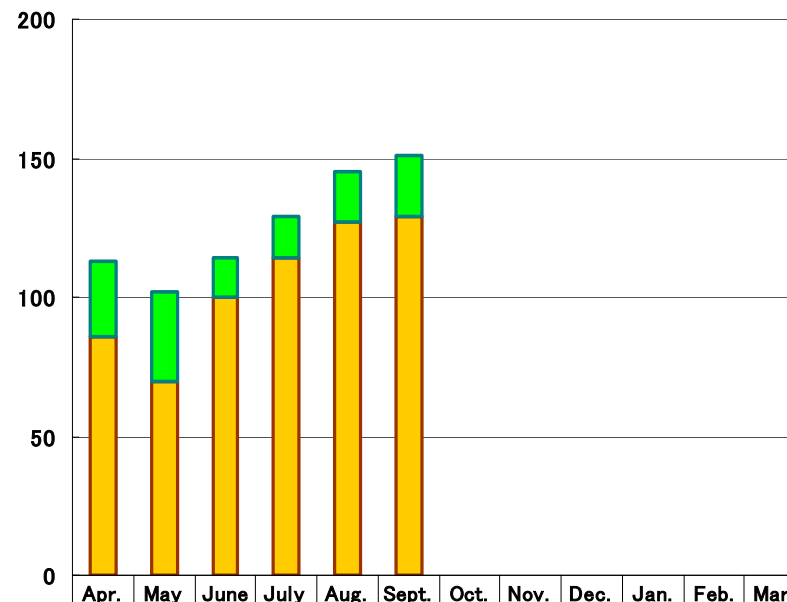
(Million kWh)



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	15	18	22						
Thermal Power (IPP,for PPS) Electricity Sales	86	70	100	114	127	129						

Note: Does not take proportion of equity holdings into account

Major financial data: Consolidated



(Unit: ¥100 million)

	FY2003	FY2004	FY2005	FY2006	FY2006 Interim	FY2007 Interim
《 P L 》						
Operating revenues	5,699	5,944	6,219	5,733	2,770	2,969
(EBITDA)※1	2,635	2,372	2,365	2,002	1,054	996
Operating income	1,321	1,119	1,015	771	441	426
Ordinary income	444	571	679	555	373	404
Net income	276	356	436	352	236	273
《 B S 》						
Shareholder's equity	3,596	3,913	4,330	4,612	4,485	4,844
Assets	20,761	20,217	19,647	19,998	19,807	20,071
Interest-bearing debt	15,929	14,980	14,082	14,215	14,156	14,063
《 C F 》						
Cash flows from operating activities	1,799	1,726	1,739	1,572	727	695
Cash flows from investing activities	-645	-606	-723	-1,554	-741	-625
Cash flows from financing activities	-1,475	-1,118	-1,036	-22	-20	52
FCF ※2	1,154	1,121	1,016	18	-15	71
Depreciation	1,314	1,253	1,350	1,231	613	570
Capital expenditures	462	509	609	907	405	577
《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 Interim	FY2007 Interim
Ordinary Income/Operating Revenues(%)	7.8%	9.6%	10.9%	9.7%	13.5%	13.6%
Shareholders' equity ratio(%)	17.3%	19.4%	22.0%	23.1%	22.6%	24.1%
D/E ratio	4.4	3.8	3.3	3.1	3.2	2.9
ROE(%)	10.5%	9.5%	10.6%	7.9%	5.4%	5.8%
ROA(%)	1.3%	1.7%	2.2%	1.8%	1.2%	1.4%
EPS(¥)	304.9※1	255.0	260.8※2	211.1	141.8	163.7
BPS(¥)	2,590.0	2,818.0	2,598.9※2	2,769.0	2,692.9	2,908.1

※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 Interim	FY2007 Interim
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%	68%	81%
Water supply rate (%)	109%	118%	90%	112%	117%	84%
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 (¥/US\$) ※2	113	108	113	117	115	119

※1: Reference price

※2: TTM

Electric Power sales and revenues, Generation capacity : Consolidated

	FY2003	FY2004	FY2005	FY2006	FY2006 Interim	FY2007 Interim
Electric power sales (million kWh)						
Wholesale electric power business	58,787	60,517	62,627	58,672	28,542	31,096
Hydroelectric	10,850	11,172	8,583	10,633	6,844	4,903
Thermal	47,937	49,345	54,044	48,039	21,698	26,193
Other electric power business	517	965	1,701	1,657	763	752
Total	59,305	61,483	64,328	60,329	29,305	31,849
Electric power revenues (100 million yen)						
Wholesale electric power business	4,535	4,763	4,951	4,500	2,215	2,375
Hydroelectric	1,358	1,371	1,268	1,235	668	626
Thermal	3,177	3,392	3,683	3,265	1,547	1,749
Other electric power business	45	87	165	169	81	82
Transmission	634	612	583	552	276	272
Total	5,213	5,462	5,698	5,221	2,572	2,729
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	560
Total	16,509	16,750	16,870	16,941	16,875	16,940

Revenues and Expenses : Consolidated



(Unit: ¥100 million)

	FY2003	FY2004	FY2005	FY2006	FY2006 Interim	FY2007 Interim
Operating revenues	5,699	5,944	6,219	5,733	2,770	2,969
Electric power operating revenues	5,229	5,480	5,732	5,238	2,579	2,735
Other operating revenues	469	464	487	495	191	234
Operating expenses	4,377	4,825	5,204	4,961	2,329	2,543
Electric power operating expenses	3,865	4,317	4,697	4,445	2,116	2,291
Personnel expenses	422	338	213	272	141	153
Fuel cost	859	1,166	1,608	1,499	677	936
Repair expense	287	475	387	412	224	154
Outsourcing expenses	262	340	314	318	144	139
Depreciation and amortization cost	1,284	1,220	1,315	1,186	589	548
Others	751	778	860	758	340	362
Other operating expenses	513	508	507	517	213	252
Operating income	1,321	1,119	1,015	771	441	426
Non-operating revenues	41	39	76	130	56	122
Non-operating expenses	918	587	412	346	125	144
Interest expenses	835	509	357	226	110	117
Others	82	78	54	121	14	27
Ordinary income	444	571	679	555	373	404



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