

# CONTENTS

<b>MESSAGE</b> .....	<b>02</b>
----------------------	-----------

## A CLOSE LOOK AT J-POWER

<b>— J-POWER's Businesses and Characteristics —</b> .....	<b>04</b>
---	-----------

Map of J-POWER Business Development .....	06
---	----

Deregulation of Japan's Electric Power Industry/	
--	--

Rate Structure for Domestic Wholesale Electric Power Business.....	08
--	----

<b>BUSINESS HIGHLIGHTS</b> .....	<b>09</b>
----------------------------------	-----------

<b>J-POWER'S PERFORMANCE AND TARGETS</b> .....	<b>10</b>
--	-----------

<b>AN INTERVIEW WITH PRESIDENT MASAYOSHI KITAMURA</b> .....	<b>12</b>
---	-----------

**“I want to reshape the J-POWER Group into a global energy company.”**

<b>TOPICS</b> .....	<b>18</b>
---------------------	-----------

## J-POWER's Coal-Fired Thermal Power Initiatives for Reducing CO<sub>2</sub> on a Global Scale

■ Topic 1 Coal-Fired Thermal Power Generation in the World Today .....	18
--	----

■ Topic 2 J-POWER's Cutting-Edge Coal-Fired Thermal Power Plants and Innovative, Next-Generation Coal-Fired Power Technologies .....	20
--	----

<b>SEGMENT OVERVIEW</b> .....	<b>24</b>
-------------------------------	-----------

Electric Power Business	
-------------------------	--

Wholesale Electric Power Business (Thermal Power) .....	25
---	----

Wholesale Electric Power Business	
-----------------------------------	--

(Hydroelectric Power and Power Transmission/Transformation) .....	26
---	----

Other Electric Power Business — IPP, for PPS and Wind Power — .....	27
---	----

Electric Power-Related Businesses .....	27
---	----

Other Businesses — Overseas Power Generation Business — .....	28
---	----

<b>AIMING FOR SUSTAINABLE DEVELOPMENT OF SOCIETY AND THE J-POWER GROUP</b> .....	<b>29</b>
--	-----------

Corporate Governance.....	29
---------------------------	----

Environmental Management.....	32
-------------------------------	----

Relations With Communities, Society and Employees .....	33
---	----

<b>DIRECTORS AND CORPORATE AUDITORS</b> .....	<b>34</b>
---	-----------

<b>FINANCIAL SECTION</b> .....	<b>36</b>
--------------------------------	-----------

Consolidated Financial Summary .....	36
--------------------------------------	----

Management's Discussion and Analysis .....	37
--	----

Consolidated Balance Sheets .....	44
-----------------------------------	----

Consolidated Statements of Income.....	46
--	----

Consolidated Statements of Changes in Net Assets.....	47
---	----

Consolidated Statements of Cash Flows .....	48
---	----

Notes to Consolidated Financial Statements .....	49
--	----

Report of Independent Auditors .....	70
--------------------------------------	----

<b>MAJOR GROUP COMPANIES</b> .....	<b>71</b>
------------------------------------	-----------

<b>CORPORATE INFORMATION</b> .....	<b>72</b>
------------------------------------	-----------

### FORWARD-LOOKING STATEMENTS

Statements in this annual report, other than those of historical fact, are forward-looking statements about the future performance of J-POWER that are based on management's assumptions and beliefs in light of information currently available, and involve both known and unknown risks and other uncertainties. Actual events and results may differ materially from those anticipated in these statements.

### PRESENTATION OF MONETARY AMOUNTS AND OTHER FIGURES

For monetary amounts and electric power sales, figures less than the indicated unit are rounded down. For other amounts, figures less than the indicated unit are rounded to the nearest unit unless otherwise mentioned.

