

Management Message



As the CEO of the J-POWER Group, I offer my deepest condolences to all those affected by the Great East Japan Earthquake, especially those who have lost loved ones.

These natural disasters caused extensive damage to large areas of eastern Japan and serious disruption to the region's electric power supply. Intensive restoration efforts are being conducted even now, but recovery is expected to take a considerable length of time. In addition, a series of tsunami-induced incidents at the Fukushima Daiichi Nuclear Power Plant complex seriously undermined public confidence in efforts to ensure the safety of nuclear power. The situation resulted in operational delays at nuclear power plants that had been shut down for routine maintenance throughout Japan.

The prospects for the supply of electric power, which underpins Japan's economy, are currently becoming extremely uncertain. The Japanese government is considering, simultaneously and from a range of perspectives, policies for providing stable supplies of electric power for the time being, the mix of fuel sources in the medium term, and securing a balance of supply and demand for power.

Because of this, what the J-POWER Group needs to do as a first step is contribute to ensuring electric power supply capabilities. The Group will fulfill its responsibility as an electric power provider in eastern Japan, where the tragic events have led to a shortfall in supply, and in western Japan, where the balance between supply and demand has been strained by the nuclear power plant shutdowns. The Group will thus amply display the capabilities of its electric power facilities located throughout Japan, which include hydroelectric and coal-fired thermal power plants as well as power transmission facilities.

In addition, with a view to ensuring Japan's medium-term electric power supply needs, we will continue to make steady, step-by-step progress with large-scale development projects, such as the Ohma Nuclear Power Plant construction project and the Takehara Thermal Power Plant facility replacement project.

With regard to the Ohma Nuclear Power Plant, which is currently under construction, we are treating with extreme earnestness the catastrophic events at the Fukushima Daiichi Nuclear Power Plant complex and are consistently and properly reflecting the necessary measures to enhance safety, based on national policies. While

endeavoring to seek the full understanding of the local communities, we are determined to expend the maximum feasible efforts to build a safe power generation facility in which all parties can have confidence.

Since our establishment in 1952, we at the J-POWER Group have contributed to ensuring that Japan has stable supplies of electric power by providing a wholesale supply of electricity to the regional electric power companies (EPCOs). When J-POWER was privatized in 2004, we formulated our mission thus: "We will meet people's needs for energy without fail, and play our part for the sustainable development of Japan and the rest of the world." In keeping with that mission, we are working to expand into new fields, including overseas power generation, to add to the wholesale electric power business in Japan.

The March 11 earthquake has served as a stark reminder of the crucial importance of electric power infrastructure and of the severity of accidents at nuclear power plants. Taking into consideration this heightened awareness of the need for sustainability, we will further enhance our business foundation in terms of technological, human, and financial resources and confront the challenges inherent in undertaking our mission.

The J-POWER Group aspires to develop sustainable business from a long-term, global perspective. In addition to strengthening our electric power facilities in Japan, we will promote our overseas electric power generation business, including the highly efficient coal-fired electric power plants sought by developing countries, and work to develop the innovative technologies needed to transition to a low-carbon society over the long term. Making ongoing, steady progress, we will contribute to sustainable development in Japan and the rest of the world.

It is with sincerity that we look forward to the continued understanding and support of our shareholders and investors.

October 2011
Masayoshi Kitamura
President & CEO

