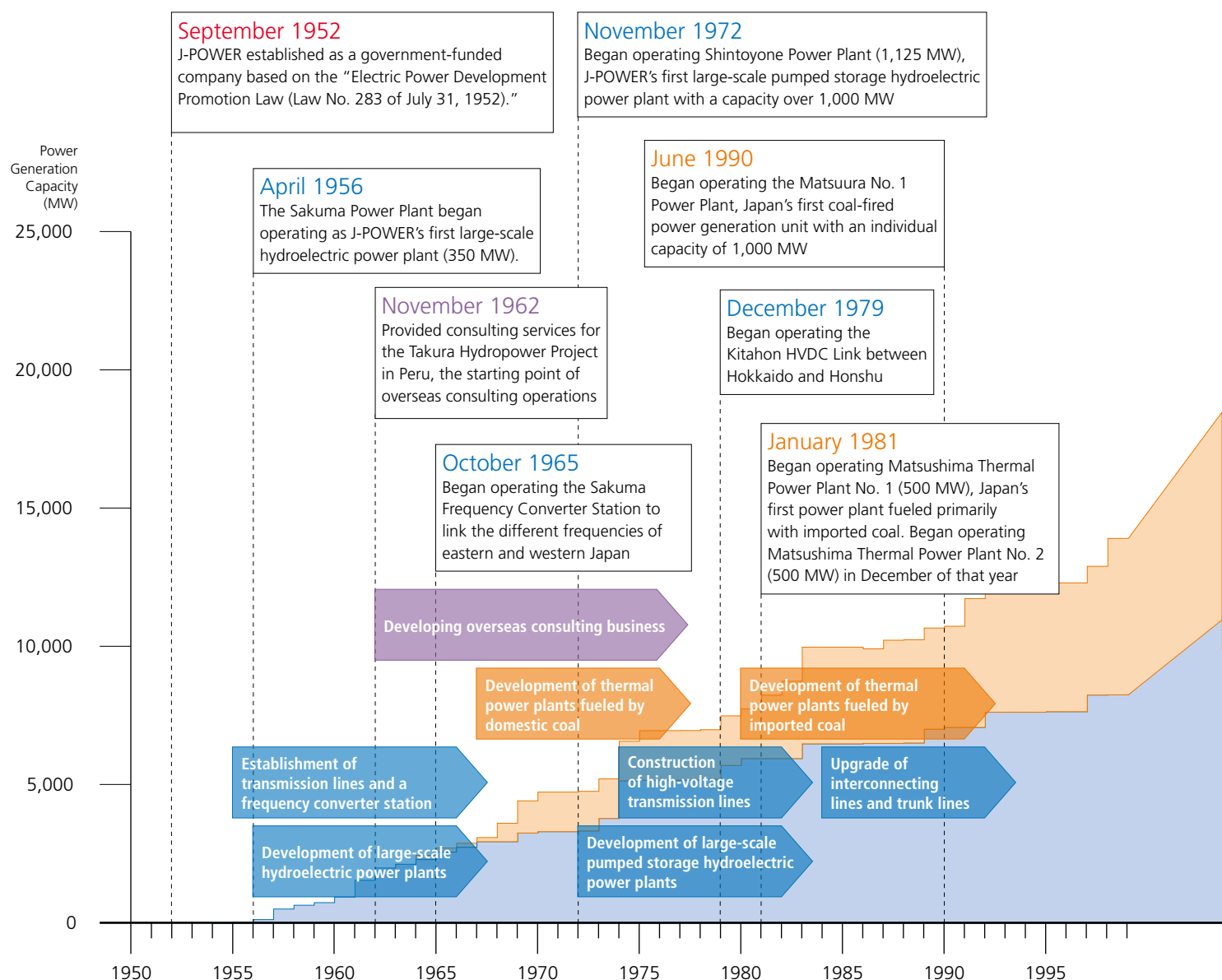


J-POWER's History—Meeting Power Needs for 59 Years

J-POWER (Electric Power Development Co., Ltd.) was established in 1952 through a government initiative to overcome electric power shortages in postwar Japan. Since then, the J-POWER Group has provided inexpensive and reliable supplies of electric power to the country's regional EPCOs and thereby contributed to Japan's economic development and improvement in the Japanese population's standard of living.

Seeking to optimize the characteristics of electric power supply systems in line with changing conditions over time, J-POWER has taken various new initiatives, such as those aimed at enhancing energy efficiency and addressing environmental protection issues. In October 2004, J-POWER achieved complete privatization and was listed on the First Section of the Tokyo Stock Exchange, making it possible for the Company to further broaden the scope of its business development activities. In recent years, J-POWER has striven to create new kinds of global electric power business operations centered on its "harmonization of energy and environment" concept.



Deregulation of Japan's Electric Power Industry

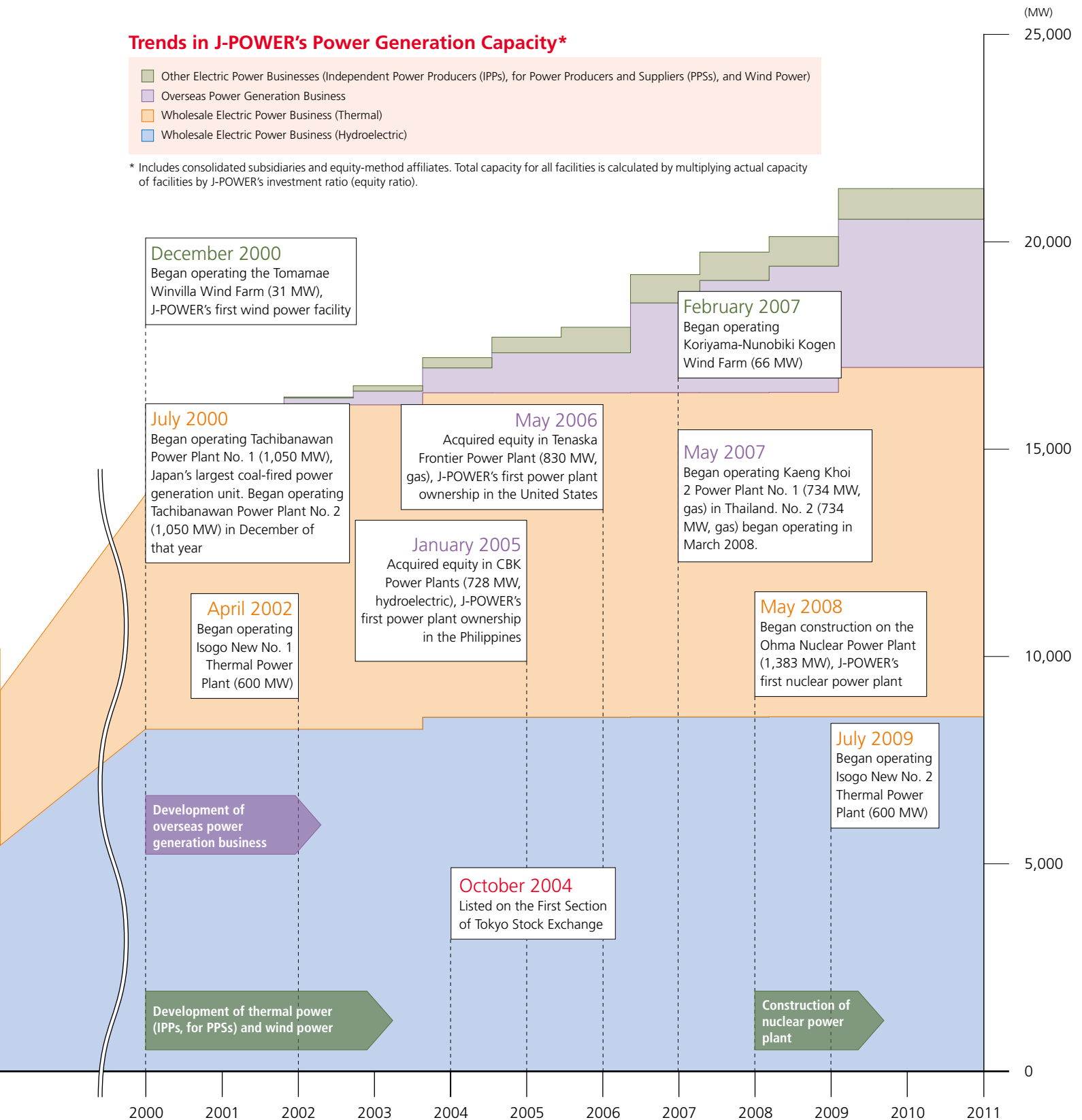
The deregulation of Japan's electric power industry has progressed in phases, creating an environment in which business enterprises other than electric power companies can participate in electricity wholesaling and retailing businesses.

► **1995**
Introduction of
wholesale electric
power bidding
system

Trends in J-POWER's Power Generation Capacity*

- Other Electric Power Businesses (Independent Power Producers (IPPs), for Power Producers and Suppliers (PPSs), and Wind Power)
- Overseas Power Generation Business
- Wholesale Electric Power Business (Thermal)
- Wholesale Electric Power Business (Hydroelectric)

* Includes consolidated subsidiaries and equity-method affiliates. Total capacity for all facilities is calculated by multiplying actual capacity of facilities by J-POWER's investment ratio (equity ratio).



2000

Partial deregulation of electric power retailing (approximately 30% of power sales)

2004

Expansion of retail deregulation (approximately 40% of power sales)
Creation of neutral organization to support transmission and distribution operations (Electric Power System Council of Japan)

2005

Expansion of retail deregulation (approximately 60% of power sales)
Creation of Japan Electric Power Exchange (JEPX)

2008

Priority given to systemic reforms promoting the establishment of a competitive environment
Postponement of full retail deregulation