

In addition to contributing to the stable supply of electricity in Japan, J-POWER is targeting sustained growth in its corporate value by carrying out business development on a global scale.

More than one and a half years have passed since the Great East Japan Earthquake disaster of March 2011, and the environment surrounding Japan's electric power businesses is increasingly uncertain. Amid the protracted suspension of operations at nuclear power plants, the supply and demand situation remains tight, as is that in the fossil fuel market, and global warming issues are growing. Another unknown is the direction of discussions over environmental and energy policy and electric power system reform.

I believe that the more uncertain the situation, the more the J-POWER Group needs to return consistently to its corporate philosophy, which states: "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."

Because of this, what the J-POWER Group needs to do first is to contribute to providing stable supplies of electric power in Japan. We will fully exert the capabilities of our electric power facilities located throughout the country, which include hydroelectric and coal-fired thermal power plants as well as power transmission facilities, and fulfill our obligations as an electric utility.

In addition, with a view to ensuring Japan's medium-term electric power supply, we intend to make steady progress with development projects, such as the Ohma Nuclear Power Project and the Takehara Thermal Power Replacement Project.

With regard to the Ohma Nuclear Power Project that is now under construction, we are treating with extreme earnestness the accident at the Fukushima Daiichi Nuclear Power Plant and are unfailingly implementing more rigorous safety measures by consistently and

properly reflecting the latest findings. We are determined to make concerted efforts to build a safe nuclear power plant in which the local community can have confidence.

Furthermore, we are aiming to disseminate our corporate philosophy on a global scale and from a long-term perspective. We will promote our overseas electric power generation business through our highly efficient coal-fired technologies and other fields of expertise in connection with the needs of developing countries. We will also steadily make ongoing progress in tackling the innovative technological developments needed to transition to a low-carbon society over the long term.

The J-POWER Group will invest its diverse management resources in a well-balanced manner in complex growth industries leading to sustained growth in its corporate value by carrying out business development on a global scale. In conjunction with this plan, we will play our part in the sustainable development of Japan and the rest of the world by fulfilling our mission of stably supplying electricity in the same highly reliable manner as before. We will therefore continue to build a stronger business foundation as measured in terms of technological, human, and financial resources and continue to confront the challenges inherent in undertaking that mission.

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

October 2012

Masayoshi Kitamura

President & CEO

