

J-POWER

FY2009 Group Management Plan

(FY2008-2012 Management Targets)

Electric Power Development Co., Ltd.

- A wholesale electric power company responsible for **about 7% of Japan's electric power supply**, we own and operate power generation facilities with an output of about 17GW consisting mainly of technologically advanced, highly efficient hydropower and coal-fired thermal power.
- As a utility company with 2,400km of transmission lines and frequency converter stations, we play **a vital role in linking the regions of Japan and ensuring a stable power supply**.
- We are active participants in **global business development** including power generation businesses and coal mining projects overseas.
- **“We aim to ensure constant supplies of energy to contribute to the sustainable development of Japan and the rest of the world”** is the corporate philosophy and the starting point of J-POWER's Corporate Social Responsibility (CSR).

In Our Group Management Plan for FY2008...

In order to continue growing while aiming for the “harmonization of energy and the environment,” we recognized the following issues in setting new five-year targets.

- Steady formation of facilities in Japan and overseas, with technological innovation
- Improvement in the reliability and economic efficiency of existing power facilities
- Establishment of a business and financial structure which will enhance resilience to risk

In Our Group Management Plan for FY2009...

- The recession, which may last a long time, and the accompanying turmoil in the financial and markets are making the current business environment difficult, and the future unpredictable. One effect has been a decline in demand for electric power.
- Discussions in Japan and international plans to address global environmental issues are moving ahead in earnest.
- While we are in the midst of major changes in the business environment, we intend to step up our plans for initiatives and long-term stable growth that will again enable us to achieve our 5-year management goals that incorporate forecasts based on the performance of the first year of the target period.

Please note that in consideration of our present business environment and other inherent conditions, we have modified the position of some of our management targets. To p.20

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To Our Stakeholders



The bursting of the global financial bubble, triggered by the collapse of the subprime loan market in the United States, has affected real economic activity around world, causing the most serious recession of the postwar period. Precipitated by a significant fall in exports, Japan's economy has been hard hit, slipping into a downward spiral unparalleled in postwar Japan. Every sector of industry has been affected and signs of recovery are as yet not visible.

Although in this environment resource prices fell after a period of ongoing, sharp rises, the electricity business bore the full impact of the economic downturn. Industrial demand for electricity contracted rapidly, putting pressure on overall earnings. We see an unavoidable downturn in earning conditions for the time being, due to the decline in the utilization rate of coal-fired thermal power facilities, which have maintained a steady sales profit for the last few years, a rise in maintenance expenses as existing facilities grow older, appreciation of the yen and stagnation of the stock market.

At present, we face the worst business conditions since the privatization of J-POWER. For this reason, we have readjusted our five-year medium-term business plan, outlined last year, with new policies for the time being. We, the J-POWER Group, in order to meet our shareholders' expectations, will utilize the strong business portfolio that we have built up over the years, aggressively exploiting innovation, refortifying our business competitiveness, and recalibrating our strategic concept. We aim to pursue these policies in our determination to overcome the prevailing difficult conditions and put J-POWER back on a stable and long-term growth trajectory.

At the same time, as global environmental problems increase in severity, the post Kyoto medium-term framework for CO2 reduction is about to be finalized through multi-lateral discussions. In this context, it must be said that Japan, as one of the world's largest consumers of resources, should play an even greater role in promoting solutions to what is the most pressing issue of the 21st century.

At J-POWER we have conducted our business activities in accordance with our basic management directive to achieve "harmonization of energy and the environment." Both energy and the environment are resources essential to our lives as human beings. Irrespective of the present economic turmoil, we remain firm in our determination to aggressively carry out new business developments both in Japan and overseas, pursuing this same harmonization of energy and the environment. It is my firm belief that the J-POWER Group will succeed in achieving ongoing development precisely because of our tireless efforts to respond to today's challenges through innovative approaches to carbon reduction in all areas of business.

Through our discussions with some of our shareholders over the last three years, we believe that we have the loyal support of our stakeholders as regards our management style. We, J-POWER, focus on returns for all of our stakeholders, including shareholders, and aim for sustainable growth through the development and operation of our facilities, based on long-term investment. In the months and years ahead, we hope to deepen our relationship of trust with all of our stakeholders as we direct our undivided attention to supplying stable energy, co-existing in harmony with society and local communities, and steering our organization on a course of long-term stable growth that will make our group resilient to the negative impacts of the economic recession we are currently facing. In these endeavors too, we look forward to your ongoing loyal support.

取締役社長

中垣喜彦

. Understanding of Management Issues Based on Our FY2008 Performance and the Business Environment

Understanding of the External Environment

Increasing uncertainty of the market

- The bursting of the global financial bubble and its impact has gone beyond national and industrial boundaries at unprecedented speed, affecting real economic activity.
- While resource prices are in a downtrend, constraints in supply leave room for possible broad swings in future prices.
- Increasing direct effect on the domestic and international electricity business of factors such as demand for power, fuel prices, access to capital, foreign exchange rates etc.

Decline in power demand

- Accompanying the world recession, electric power demand in Japan, particularly demand for industrial use, has declined dramatically.
- Domestic demand may fall medium-to-long term, with a shrinking population and better energy efficiency.
- Development of new markets and business areas will be more important than ever.
- In the current climate we must be even more competitive as a company

Global Warming

- As the second year of the first commitment period under the Kyoto Protocol begins, international talks for the next framework are currently in full swing
- International accords to halve CO2 emission by 2050 and Japan's role in achieving 60-80% reduction by 2050
- Mid-term targets up to Yr 2020 are to be settled by the end of June 2009.
- As an electric power company, we need to work on lowering carbon levels in response to society's demands.

These external factors affect each other and our performance significantly.

To p.8

Principal Areas of Performance in FY2008



Steady Growth in Power Generation Facilities

- Ohma Nuclear Power Station

Obtained the initial permit and started construction work in May 2008.

Commercial operation is expected to begin in November 2014.

- Isogo New No. 2

Steady progress in facility construction.

Site fired up in November 2008 and trial operation started in January 2009.

Technology Innovation and New Project Development

- Oxygen-blown coal gasification technology development

Chose to conduct large-scale demonstration testing at site in Osakikamijima -cho, Hiroshima Prefecture, after reviews with The Chugoku Electric Power Co. Inc.

- CO2 Capture Tests

Participated in O2 burn Carbon Capture and Storage demonstration project in Australia, in addition to tests at in-house facilities.

Enhancing Value of Business Assets

- Hydroelectric Power

Completed comprehensive upgrade of No. 2 line at Tagokura Power Station.

Started works on No. 3 line.

Began construction of No. 1 line at Nukabira Power Station, as well.

- Power Transmission

Completed renewal of Kitahon Transmission facility control protection equipment.

Global Business Expansion

- Expansion of business in Key Markets

Acquired interest in the Birchwood Power Station (240MW), our first coal-fired station in the U.S.

Projects are also underway in Thailand and China.

- Entry into New Markets

Finalized our first project in Vietnam: the Nhon Trach 2 gas-fired power station (750MW).

Power Generation as the Core of a Diversified Business

- Wind Power Generation

Zajaczkowo Power Station (Poland, 48MW) began commercial operation. Purchased several existing sites in the country.

- Coal Business

Acquired a 7.5% interest in the Narrabri Coal Mine in Australia. We plan to sign a long term coal sale contract to purchase coal from the project.

Although we have achieved many things...

- **Reservoir maintenance cost for hydroelectric power has increased, the stock market and foreign exchange have kept consolidated ordinary income from meeting initial forecasts.**

- **Our 9.9% treasury stock purchase cut our consolidated shareholders' equity ratio by about 3%.**

Key issues: Be more competitive, expand business base at home and abroad and continue to improve financial position, to build stable profits.

To p.8

Issues on the Path to Sustainable Growth

From p.6

External Trends...

- No clear timeframe for recovery of global economy
- Global warming: Faster conversion to low-carbon and movement toward medium-to-long term commitment
- Power demand outlook: Slow growth and unclear outlook
- Uncertainty: Increasing effect on electric power business.

From p.7

Based on our FY2008 Performance...

- Enhancement of competitive strength for stable earnings
- Ongoing improvement in financial position will become more important
- Expansion of business infrastructure at home and abroad.

*In the increasingly difficult business environment,
J-POWER will focus on ...*

➤ *Thorough strengthening of the corporate structure to enable us to adapt to changes in the environment and pursue stable growth (p.9)*

With innovation as our driving force, achieving growth as we provide a stable energy supply

➤ *Strong commitment to measures to combat global warming from a long-term perspective (p.10)*

Pursuing new business opportunities in the course of initiatives to overcome challenges

Action 1: Strengthening Corporate Infrastructure Against Uncertainty



The J-POWER Group's Corporate Philosophy, as well as our mission, is
“...to ensure constant supplies of energy to contribute to the sustainable development of
Japan and the rest of the world”



Action 2: Commitment to Long-term Global Warming Measures

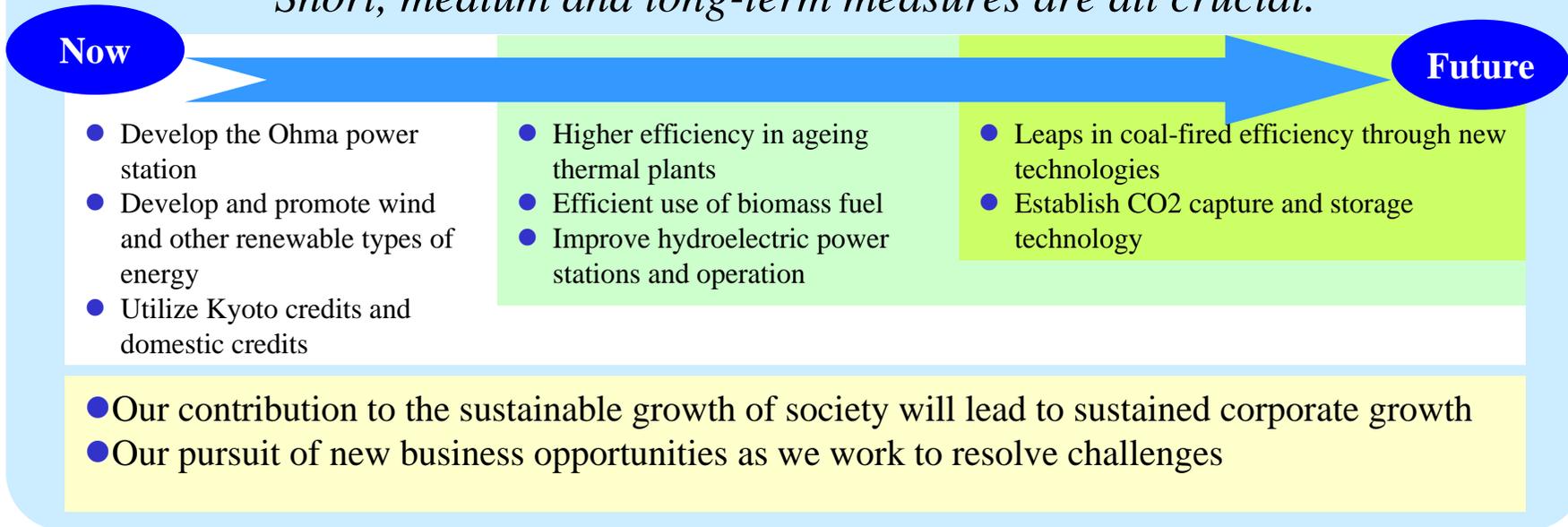


"Harmonization of Energy and Environment"
 J-POWER'S mission is to provide stable production and supply of energy,
 while protecting the environment.

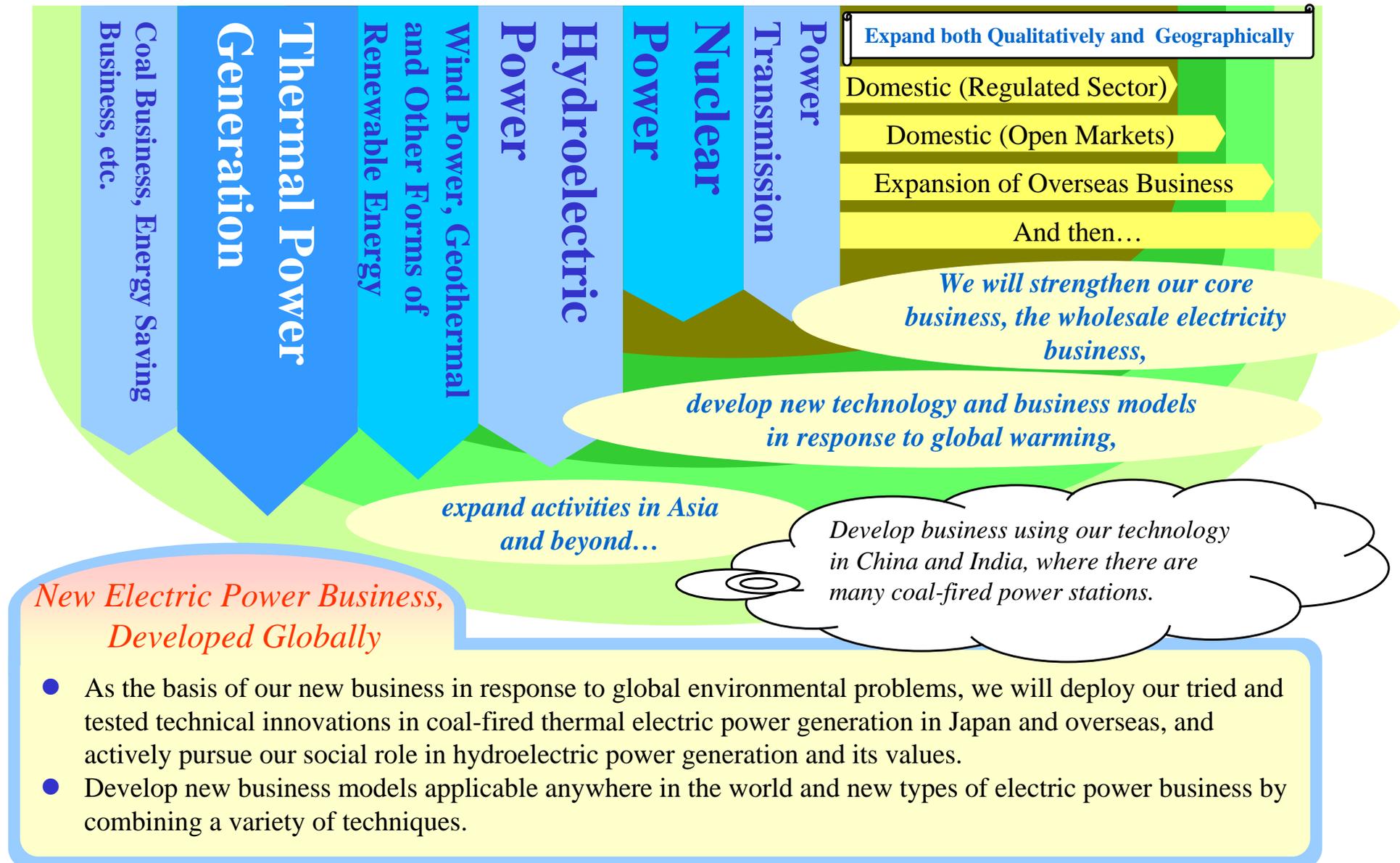


It is important to keep a focus on the timetable in promoting these efforts:

Short, medium and long-term measures are all crucial.



Meeting Current Challenges and Beyond



II. Business Strategies for Achieving Goals

(1) Steady Growth in Power Generation Facilities

(2) Technological Innovation and New Project Development

(3) Enhancing the value of Business Assets

(4) Global Business Expansion

(5) Power Generation as the Core of a Diversified Business

(1) Steady Growth in Power Generation Facilities



Two Big Projects to Strengthen Our Fundamental Business. Build-up of facilities portfolio based on CO2 Emissions Restrictions.

Isogo New No. 2 (Kanagawa Prefecture)

- Project to upgrade the old power station to a state-of-the-art coal-fired plant with two 600MW generators, boasting the highest class of efficiency in the world.
- Will also improve the CO2 unit emissions intensities by raising efficiency.

[Actions in FY2009]

- Ensure start of commercial operation by July, and get power station on track for stable operation.

Continue to actively promote new hydroelectric and thermal facilities after Isogo and Ohma.

Ohma Nuclear Power Plant (Aomori Prefecture)

- As J-POWER's largest power generation unit (1,383MW), this will contribute to the business strategy.
- This will contribute to regional development.
- As a full MOX-ABWR(*), this will play an important role in terms of government policies.
- **As a power plant emitting almost no CO2 during the power generation stage, this will be even more important in terms of global warming.**

[Actions in FY 2009]

- Implement quality assurance activities and promote building operations based on local trust, giving top priority to ensuring safety.
- Pay ongoing attention to observing construction schedules and curbing construction expenses.

Ohma Trunk Transmission lines (Aomori Prefecture)

- Important transmission lines that transmit electricity from the Ohma Nuclear Power Plant (total line: 61 km)

[Actions in FY2009] Completion of Construction Work

(*) Full MOX-ABWR: advanced boiling water reactor in which uranium/plutonium mixed oxide fuel (MOX) can be used for the whole reactor core. 13

(2) Technology Innovation and New Project Development



Continue to make tireless efforts to improve generation efficiency and reduce carbon.
Achieve innovation on a schedule.

Mid-term measures

Renew Ageing Coal-fired Power Plants

...Attempt to reduce the CO₂ unit emissions intensities through the adoption of the highest level technology, starting with ultra-supercritical pressure power generation technology, and mixed burning of biomass fuels

Improve Function of Ageing Hydro Power Plants

...Expand the function of hydro power plants as a CO₂-free power source by upgrading facilities to improve efficiency at existing hydro power plants.

[Actions in FY2009] Select targeted plants and finalize detailed plans.

Long-term measures

Achieve Next-Generation Coal-fired Power with New Technology

...We intend to achieve a fundamental reduction in the CO₂ unit emissions intensities by combining the results of joint testing with the Chugoku Electric Power Co., Inc., of oxygen-blown coal gasification technology, the development of CO₂ capture technology at our own sites and in Australia, and the joint research into CO₂ transportation and storage.

[Actions in FY2009] Finalization of detailed plan for large-scale demonstration test.

(3) Enhancing the Value of Business Assets



Ensuring stable supply of electric power to customers.
Optimization of facility maintenance based on long-term view.

Active use of capex for upgrades

- Capital expenditure for upgrading facilities will reduce longer-term facility maintenance costs.
- Improve generator performance (capacity, efficiency) when upgrading facilities.

Developing technology in house

- Increase the scope of self-manufacturing at J-POWER, group companies, and affiliated companies
- Utilize group companies and affiliated companies for outsourcing services

Concept of maintenance

- Make maintenance techniques even more sophisticated with condition-based maintenance and risk-based maintenance.

Resource procurement

- Streamline through centralizing data and purchasing
- Make purchasing agreement length flexible
- Expand the range of competitive bidding

【Actions in FY2009】 Promote action plans for hydroelectric/thermal power and power transmission.

(4) Global Business Expansion

Lift group-wide earnings potential.
Further expand overseas operations as second main area of J-POWER's business.

Guidelines set out in FY2008
Group Management Plan:
“Steady growth in income generated from new projects, while maintaining income from stable operation of existing facilities at approximately 10 billion yen.”

However...

The political uncertainty and economic slowdown in Thailand, the United States and China make it impossible for J-POWER's projects to escape the impact of debilitating exchange rates and construction operations.

To overcome these conditions and move forward with further business development...

Steady execution of projects in progress

- Foster experience and human resources at power plants in Japan to assure operating stability.
- Steady development of IPP projects in Thailand
- Aim to become an organization that balances the business development function with the business management function – even at the local level.

Expand business strategies

- Pursue growth potential in the Asian market as a whole
- Develop the market through a new business model
- Pursue initiatives in high efficiency, environmentally-friendly coal-fired thermal power, new energy, and energy-saving business areas
- Formation of business portfolio, focusing on liquidity of assets.

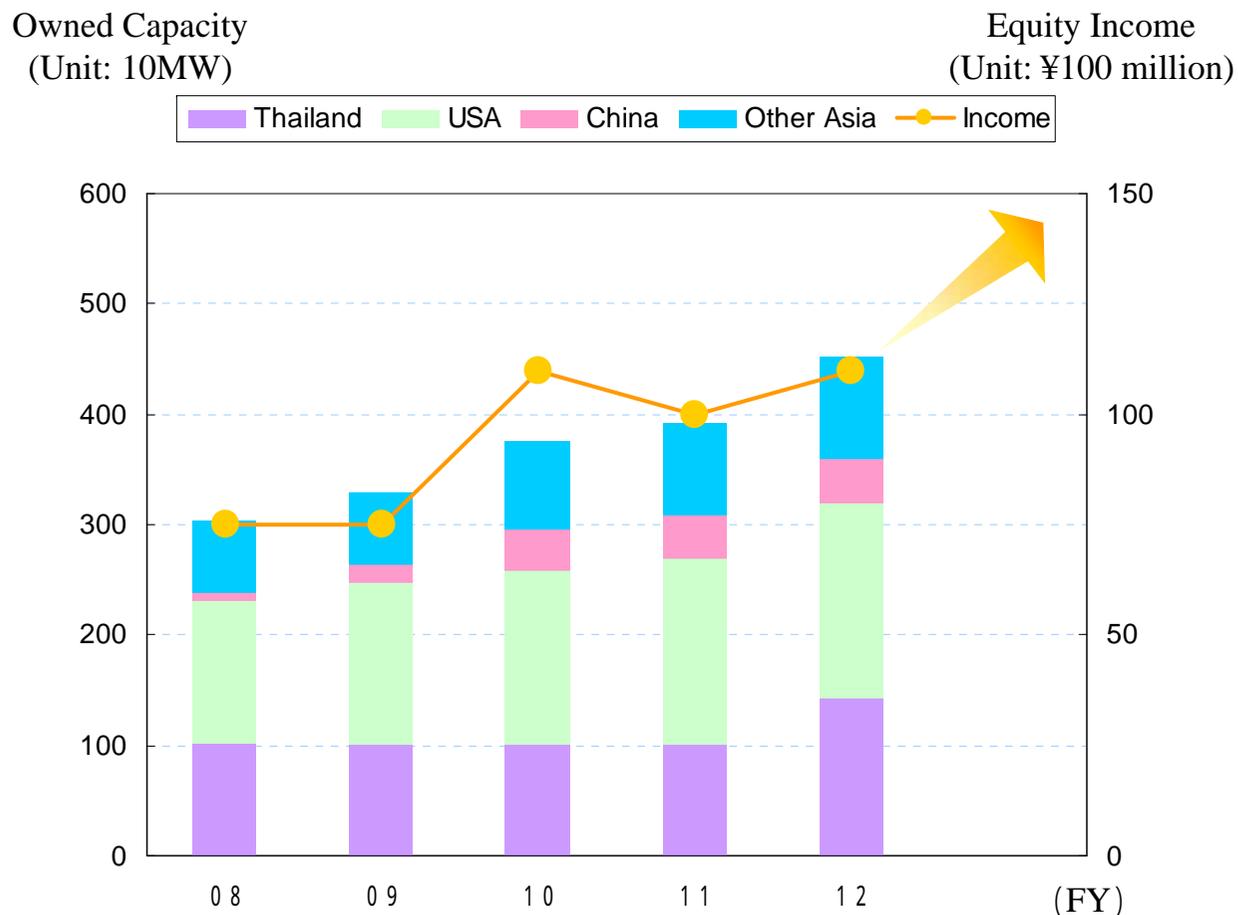
【Actions in FY2009】

Steady execution of individual tasks in existing projects and initiatives for realizing strategic business expansion.

Outlook: Assets and Income from Overseas Electric Power Business



In FY2008 J-POWER bore the brunt of the sustained sharp rise in the yen but in 2010 expects profits to reach the 10 billion yen level.



● After 2013 we expect to commence commercial operation of a large-scale project in Thailand, currently in the planning stages.

● Samet Tai
 Location: Samet tai district, Chachoengsao Province
 Output: 1.6GW (800MW x 2 units)
 Commencement of Operation: 2013 (planned)

● Nong Saeng
 Location: Nong Saeng, Saraburi Province
 Output: 1.6GW (800MW x 2 units)
 Commencement of operation : 2014 (planned)

(*) J-POWER's owned capacity is total project capacity multiplied by J-POWER's investment ratio (capital contribution), and is recorded at the end of each fiscal year.

J-POWER's equity income from projects is total project income multiplied by J-POWER's investment ratio (capital contribution), and is recorded for the relevant fiscal year.

(5) Power Generation as the Core of a Diversified Business



Put the “Harmonization of Energy and Environment” into business practice.
Strengthen contribution to measures limiting CO₂.

Electric power value chain

- Market trading of electricity
- Coal business
- Coal mine development projects, etc.

Engineering expertise

- Dry-type desulfurization - denitrification system (ReACT)
- Comprehensive consulting in the development and utilization of subterranean space
- Telecommunications (mobile communications, infrastructure construction, etc.)

Environmental value

- Wind power generation (12 projects in Japan and 1 project overseas in operation)
- Biomass use
- Redevelopment of hydroelectric power generation
- Overseas expansion of energy conservation and high efficiency technology etc.

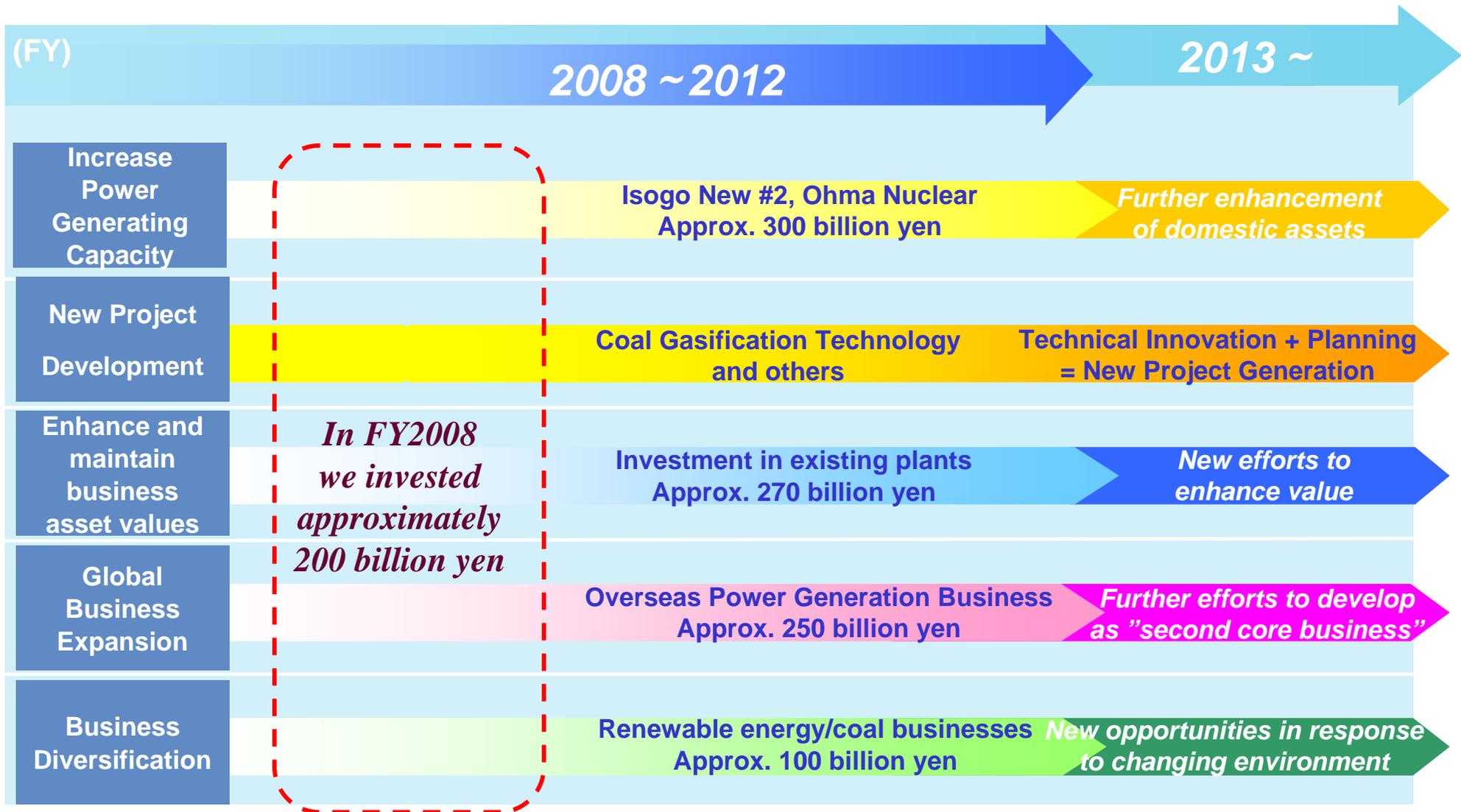
Long-term business management skill

- Waterworks projects
- Construction and management of sewage treatment facilities, etc.

More specifically, emphasize and build up businesses that will help limit CO₂.

- Wind power generation: Aim for 500MW plants in the medium term both in Japan and abroad and accelerate efforts.
- Efficient use of biomass fuel: utilize wood biomass and carbonization technology for waste and sewage sludge, to strengthen application efforts with in-house combustion.

Investment Plans(FY2008-FY2012)



(*)The amounts recorded are the amounts recorded in J-POWER's consolidated assets.

Moreover, we plan to establish project financing for overseas projects, and this will limit J-POWER's exposure to an amount equivalent to project capital multiplied by our investment ratio (expected amount of direct contribution: about 90 billion yen).

Investment amount for fiscal 2008 is an estimate, current as of the end of the third quarter.

Five-year Target Progress Update



Consolidated Ordinary Income

FY2010: Over 50.0 billion yen

FY2012: Over 60.0 billion yen

Consolidated shareholders' equity ratio

Over 25%

Over 26%

*Numerical targets
retracted for now.*

Outlook as of end of FY2008: 19.1%(*)
Outlook for late FY2010: Over 21%

[Management Index]

Consolidated return on assets (ROA)

FY2008-2010: 2.4%

FY2011-2012: 2.5%

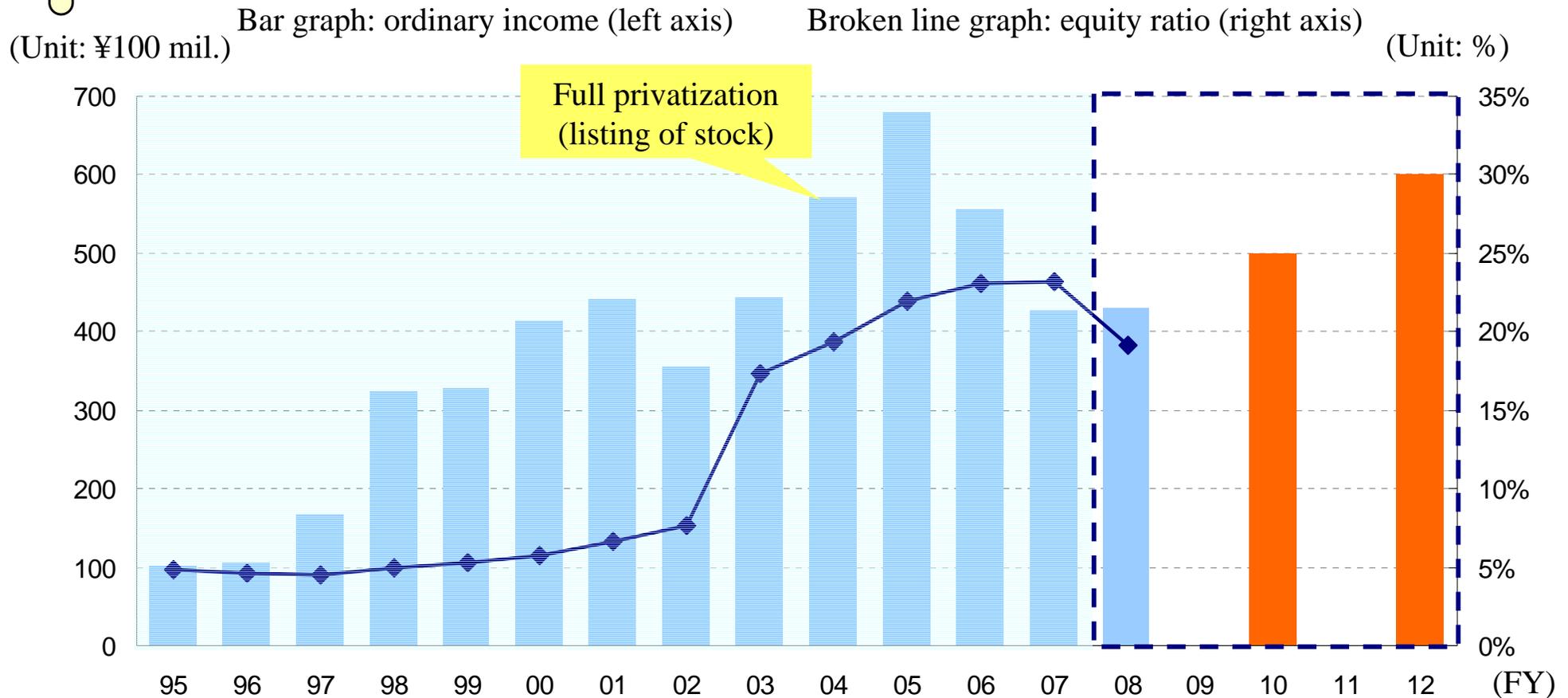
- J-POWER is operating in difficult conditions caused by the stagnation of the stock market due to the world recession, and has therefore had to revise downwards its initial forecasts. **Adjustments have been made to the target for consolidated ordinary income at the end of FY2010.** (The target for FY2012 remains unchanged, although there is the possibility that business will be affected by unpredictable factors such as a decline in demand for electric power.)
- On the other hand, **we have retracted our numerical targets for consolidated shareholders' equity ratio for the time being**, due to it being affected by market factors and also our acquisition of treasury stock of 9.9% as a result of stock purchase demand. Improving our financial position has become even more important and **we will continue to strive to improve** as we aim to reach a level that will stay with industry standards in the medium-to-long term.
- We will be studying widely methods for using the treasury stock that we acquired as a result of stock purchase requests, considering such factors as economic environment.

(*) The FY2008 outlook is based on the outlook at the end of the third quarter.

Five-year Target Progress Update



Acquisition of treasury stock in FY2008 will result in a decrease in the shareholders' equity ratio. Ordinary income was also adjusted downwards from initial plans due to an increase in maintenance expenses and the impact of stock market conditions and exchange rates.



ROA	0.5	0.5	0.8	1.5	1.4	1.7	1.9	1.6	2.1	2.8	3.4	2.8	2.1	2.1			
(Unit:%)																	
Management Index													2.4	2.4	2.4	2.5	2.5

(*)Figures up to FY1999 are non-consolidated and from FY2000 onwards are consolidated. Figures from FY2008 onwards are forecasts. Figures for FY2008 onwards are forecasts based on projections current as of the end of the third quarter.
 ROA= ordinary income ÷ total assets

III. Strengthening the Corporate Infrastructure

(1) Corporate Governance Framework

(2) Establishment and Spread of Compliance Activities

(3) Systematic Investment and Financial Activities

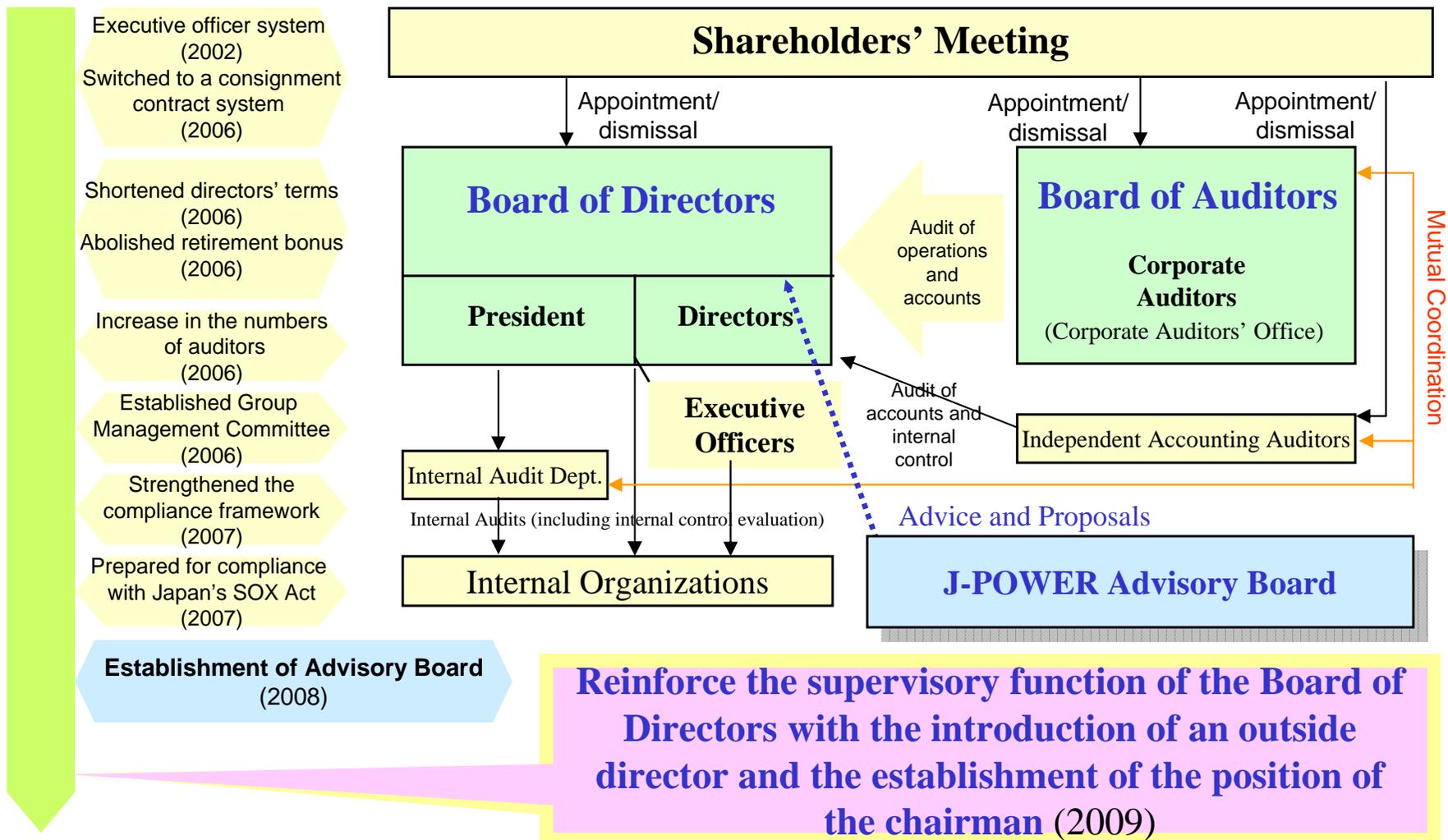
(4) Group Management for Increasing Consolidated Corporate Value

(5) Safety and Security Initiatives

(6) Motivated Organization and Employees

(1) Corporate Governance Framework

Cooperation of the boards of directors and auditors.
Further strengthening with introduction of an external director.



(2) Establishment and Spread of Compliance Activities

Maintaining the trust of society is a major premise of corporate activity.
Promotion of activities by the Group as a single unit.

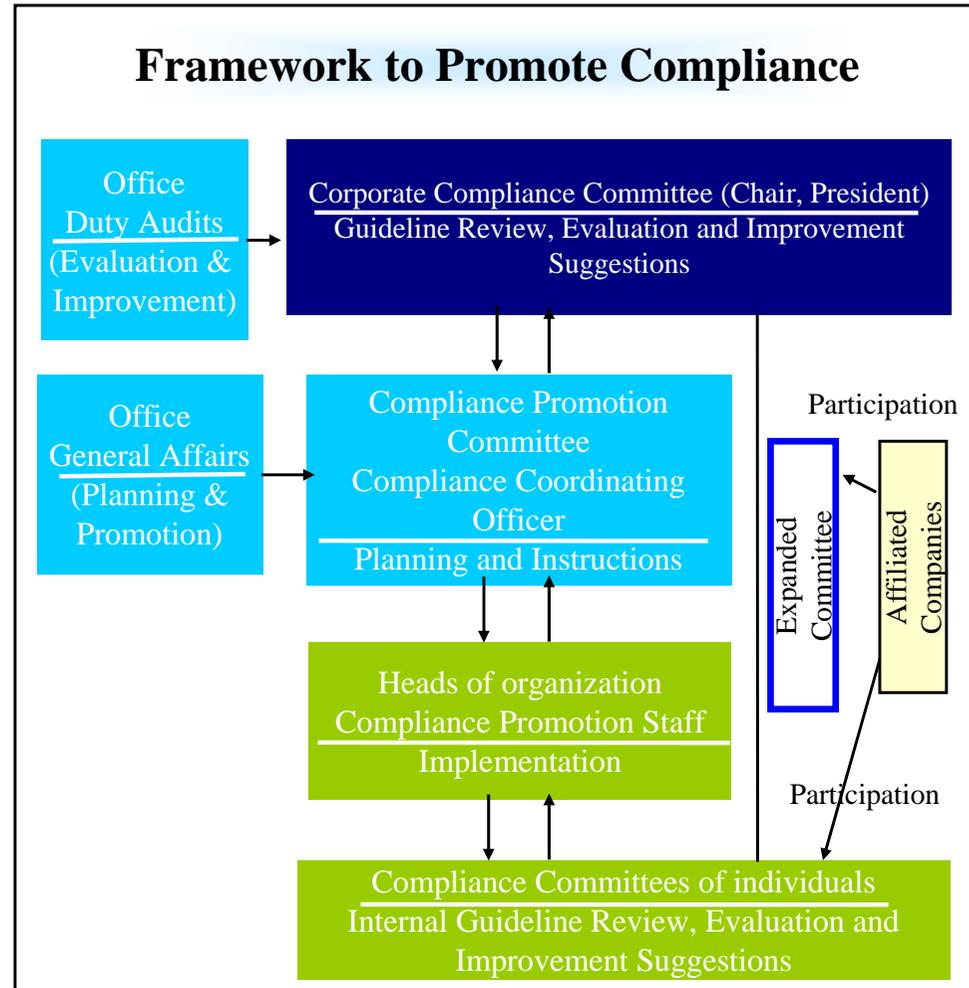
Compliance Promotion Action Program

- Plan and carry out activities to acquire and maintain even greater trust of society.
- As a priority for the entire Group for the foreseeable future, promote activities that will instill the corporate culture and an awareness of compliance in individual staff .
- **The promotion of compliance has been positioned as a common goal of the organization and each part is working on a theme for the current period.**

Eliminate cases which infringe laws.

A firmly established awareness of compliance and continuous improvement are vital

Framework to Promote Compliance



(3) Systematic Investment and Financial Activities

Important period for building facilities that will form the foundation for the future.
We anticipate availability of financial resources even in hard times.

Investment for building facilities

- Promote investment while carefully inspecting plans.
- To this end, readily available finance will be needed, even during hard times.

FY2008 ~ 2012

Increase Power
Generating Capacity

Approx.
300 billion yen

New Project
Development

Enhance and maintain
business asset values

Approx.
270 billion yen

Global Business
Expansion

Approx.
250 billion yen

Business
Diversification

Approx.
100 billion yen

Fund Raising to support growth investment

- Maximize efforts to obtain financing during hard times.
- To this end, stable cash flow from businesses in Japan and abroad will be very important.

Additionally...

Improvement in financial position an ongoing challenge

- ✓ Aim for the recovery and steady improvement in our consolidated shareholders' equity ratio.
- ✓ Study widely methods for using treasury stock, considering such factors as economic environment.

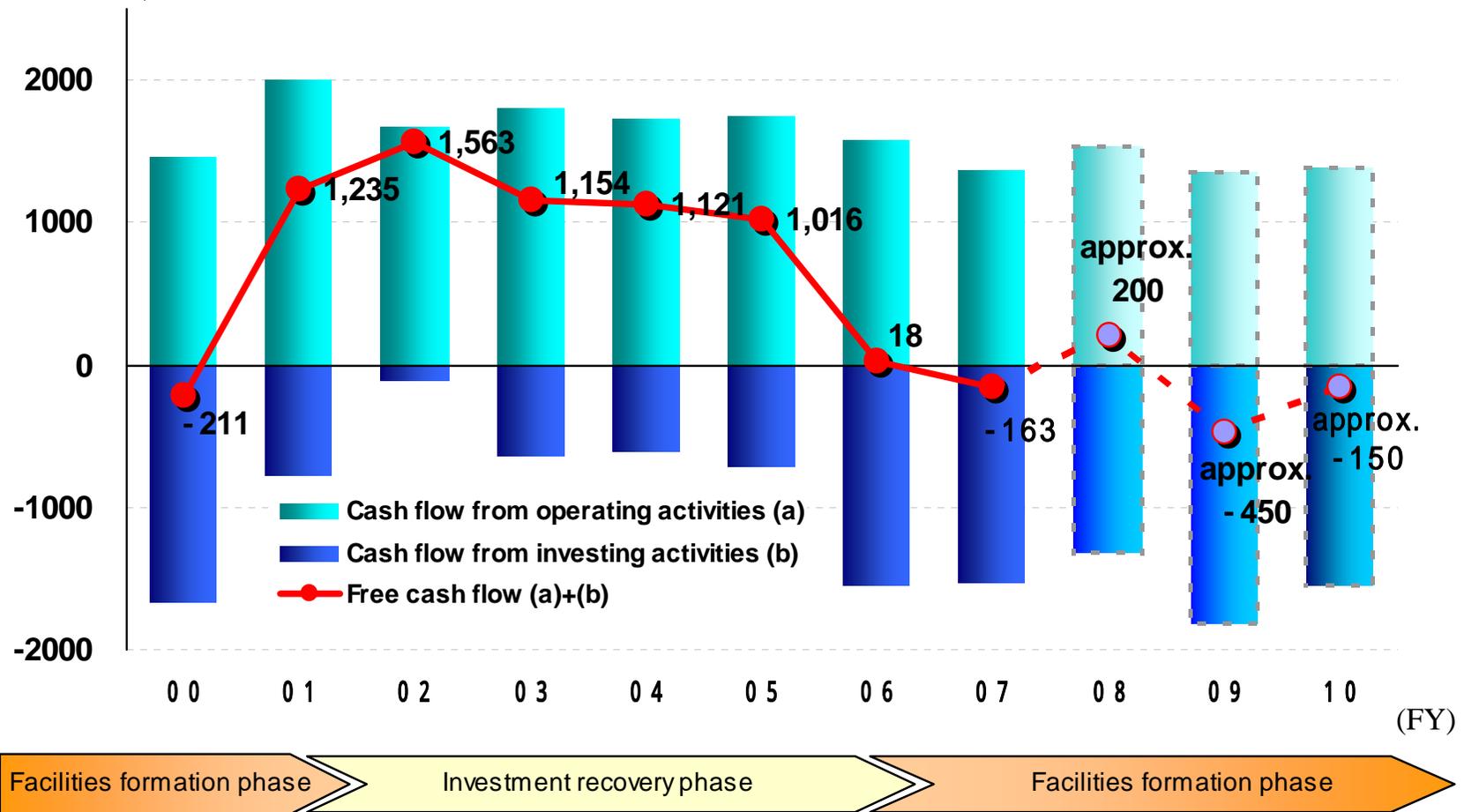
(*) The amount is the figure posted as J-POWER's consolidated assets

Outlook of Cash Flow



In FY2006 J-POWER entered a facilities formation phase for continuous growth and expects cash flow to continue to remain tight for some time.

(Unit: ¥100 million)



(*) Figures from FY2008 onwards are forecasts.

(4) Group Management for Increasing Consolidated Corporate Value



Groups of specialists that are “Experts in their areas.”
Contributing to Consolidated Corporate Value through their Individual Roles.

Maintaining Hydroelectric Power
Transmission Facilities



JP HYTEC Co., Ltd

Maintaining Thermal Power
Facilities



J pec Co., Ltd

Civil Engineering, Construction
Studies and Design



KDC engineering Co., Ltd

*Contribution to stable supply
through facility maintenance
and other areas, and
optimization of outlays for the
entire group from a long-term
perspective.*

Thermal Fuel Procurement



J-POWER RESOURCES Co., Ltd

In-Group, General Services



JP Business Service Corporation

JP Business Service

Maintenance and Construction of
Communications Facilities



KEC Corporation

Design and Production of Dry
Desulfurization Devices



J-POWER EnTech Co., Ltd

*Pursue even more possibilities
through new businesses and
projects, and expand the
earnings of the entire group.*

Development of Power
Generation Business Overseas

J-POWER Generation (Thailand) Co., Ltd.
J-POWER USA Development Co., Ltd.
Jie Pawa Electric Power Development (Beijing) Limited, etc.

Development of New
Business in Japan

Japan Network
Engineering Co. Ltd.
Kaihatsu Hiryou Co. Ltd.
Ecogenomics, Inc.
Fresh Water Miike Co.
Ltd., etc.

(5) Safety and Security Initiatives



Responding to Society's Trust in the J-POWER Group

Meeting Regional Environmental Challenges

- Expand environmental management targets significantly, aimed at ongoing activities. Strengthen activities aimed at achievement of group-wide targets.
- Limit emissions of sulfur oxides (SOx) and nitrogen oxides (NOx) using world class technology for coal-fired thermal power generation.
- Promote the recycling of industrial waste and thoroughly implement proper processing aiming for a sustainable society and promoting green procurement activities.

Expansion of Crisis Management System

- Initiatives for responding appropriately to a crisis along with accurately grasping risks surrounding business.
Set up a permanent Crisis Management Team, have each organization appoint a crisis management supervisor and respond to crises rapidly.
Disaster Prevention Subcommittee: Plan for earthquake reinforcement of power plant facilities, company housing, dorms and the like in preparation for a large-scale earthquake.
Overseas Crisis Management Subcommittee: Gather safety information at overseas sites, offer safety and emergency response training and set up an emergency response system.

Prevention of Workplace Accidents and Promotion of Employee Health and Safety

- Prevent workplace accidents with group safety activities.
- Establish safety culture and heighten safety awareness through more active workplace communication among relevant parties.
- Promote the prevention of ill health through THP activities including special diagnoses, health guidance and support.
- Maintain and administer good workplace health through mental health care and the prevention of contagion.

Reinforcement of Data Security

- Promote Ohma Nuclear Power Plant, in addition to existing businesses and reinforce data security, which supports the global development of business.
Strengthen prevention/discovery functions and develop data security to prevent problems before they occur.
Strengthen data security system regarding Ohma Nuclear Power Plant throughout the group.

(6) Motivated Organization and Employees



Human resources are the foundation of corporate sustainability.
We will promote a system where employees can remain active for a long time.

Securing Human Resources

- Establish an HR base consisting of a small number of sharp, independent individuals to support sustainable growth
- HR diversification that responds to changes in the environment.

Human Resource Development

- Practical skills that allow the modification and expansion of business opportunities.
- Strengthen CDP, which supports the maintenance and improvement of technical abilities (Rotation, OJT, Off-JT, etc.)
- Training future leaders

Improving HR

- Build a work environment where the employees do rewarding work.
- Promote a work/life balance
- Establish a work environment and system regardless of age or sex.

To promote this type of activity further...

We are building,

- A personnel system where everyone can work for many years as a professional without consideration of age or title.
- A career structure that fosters professional training, initiative and endeavor.

IV. For Achieving Sustainable Growth

J-Power Group's Corporate Social Responsibility (CSR)



Under the corporate philosophy we have set for ourselves, we will carry out our responsibility to society and respond to the expectations of our various stakeholders, who support the company.

<i>Corporate Philosophy</i>	<i>Theme</i>	<i>Description</i>
<i>Sincerity and pride underlie all our corporate activities.</i>	<i>Reliable supply of electric power</i>	<i>Maintenance of suitable facilities in order to be "always available." (p.15)</i>
	<i>Full internal controls</i>	<i>Full corporate governance system (p.23) Thorough and consistent compliance. (p.24)</i>
	<i>Winning society's trust</i>	<i>Encouragement of proper disclosure of information. Consideration of safety and security in all business activities.(p.28)</i>
<i>We build community trust by harmonizing our operations with the environment.</i>	<i>Attention to global environmental matters</i>	<i>Reduction in unit CO₂ emissions (*) Maintenance and improvement of thermal efficiency in thermal power generation. (*)</i>
	<i>Attention to global environmental matters</i>	<i>Limiting of SO_x, NO_x and other emissions. (*) Promotion of waste product recycling. (*)</i>
<i>Profits are a growth source, and we share the benefits with society.</i>	<i>Return to Shareholders</i>	<i>Continuation of reliable dividend and improvement commensurate with fruits of growth. (p.32)</i>
	<i>Contribution to society</i>	<i>Establishment of "View of J-POWER Group Corporate Contribution Activities" (p.34)</i>
<i>We continually refine our knowledge and technologies to be a leader in these areas.</i>	<i>Human resource training</i>	<i>Improvement of effective work capacity through enrichment of basic and expert knowledge. (p.29)</i>
	<i>Promotion of innovation</i>	<i>System organization and training of human resources that foster the creation of new concepts. (p.29)</i>
<i>We meet the challenges of tomorrow by harnessing our unique skills and enthusiasm.</i>	<i>Rich workplace environment</i>	<i>Promotion of work/life balance. (p.29)</i>
	<i>Diverse human resource activities</i>	<i>System and work environment where employees can play active role, regardless of age or sex.</i>

(*) For more about the J-POWER Group's Environmental Management Targets, please refer to our home page or the "Sustainability Report."

Our Views on Returns to Shareholders

- The most prominent characteristic of our business is that we secure returns on our investment in power plants and other infrastructure through the long-term operation of these facilities, utilizing our well-established enterprise management expertise, including the construction of power plants and other infrastructure.
- Business results achieved over the long term constitute the source of returns to shareholders. In view of the characteristics of our business, we place the utmost importance on a [sustainable dividend policy](#).
- Moreover, we will make long-term efforts to enhance our corporate value on an ongoing basis. Then, [reflecting the results of growth, we will seek to further enhance profit distribution to shareholders](#).



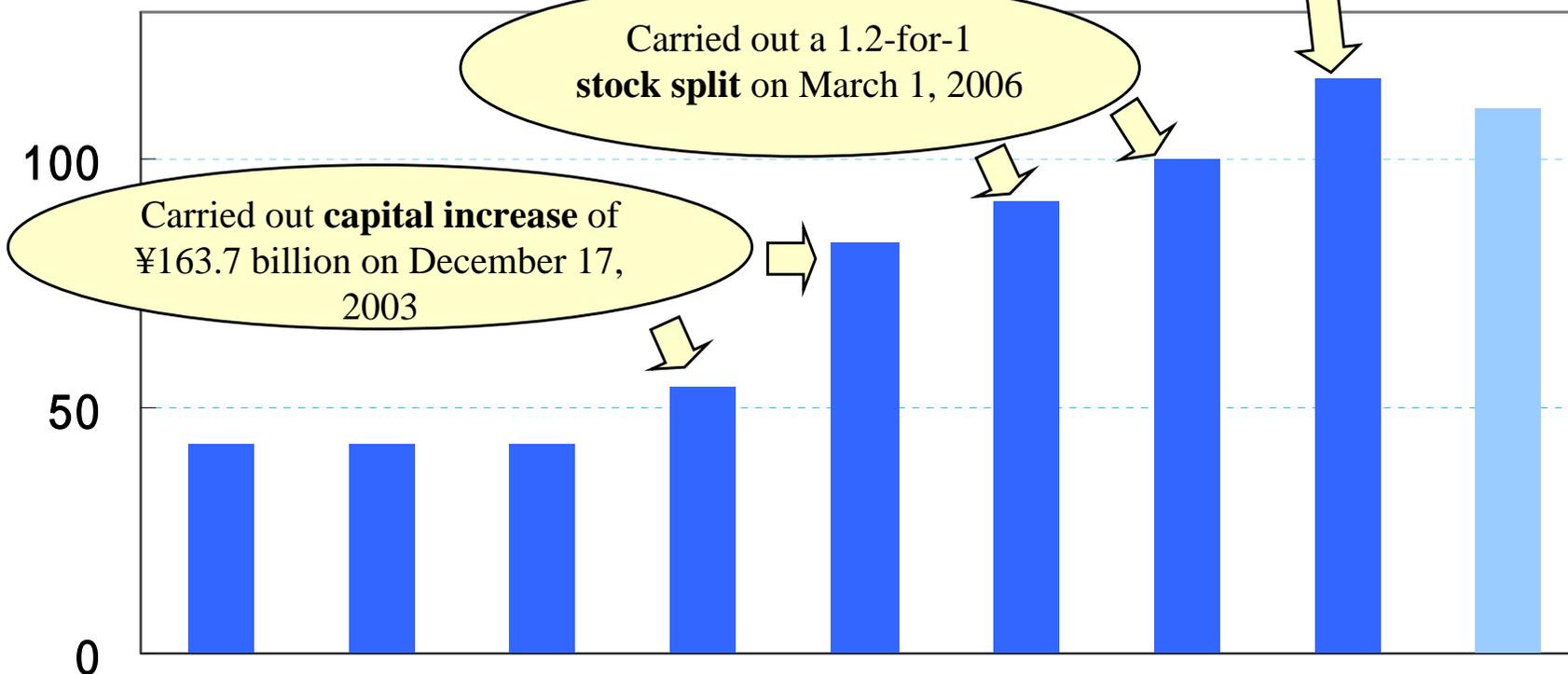
- Based on these guidelines, we increased the dividend from 60 yen to 70 yen per share in FY2007.
- While the business environment is quite harsh, we will try to shore up our earnings through the ongoing development of new businesses and to improve shareholder value.

Return to Shareholders



【Total amount of dividends】

(Unit: ¥100 million)



	00	01	02	03	04	05	06	07	08 (FY)
(Consolidated pay-out ratio)	23.7%	24.0%	20.4%	19.6%	23.4%	21.0%	28.4%	39.8%	52.8%
(dividend per share)	¥60	¥60	¥60	¥60	¥60	¥60	¥60	¥70	¥70

(*) Figures from FY2008 onwards are forecasts

Total dividends paid to shareholders for FY2008 are expected to fall due to the acquisition of treasury stock.

Consolidated dividend payout ratio = total dividends paid ÷ consolidated current net income

View of J-POWER Group Corporate Contribution Activities



We have established a basic concept that allows the Group to contribute to society as part of our CSR promotion

We at the J-POWER Group, led by a corporate philosophy that views “We build community trust by harmonizing our operations with the environment“ and ”profits area a growth source, and we share the benefits with society” will strive, as a member of society, to develop a healthy society, to seek sustainable development and to participate in activities that contribute to society for a long time.

Based on the following two main themes for our activities, we will speak to people of the local communities as well as those who strive for the harmonization of energy and the environment. Together we will place importance on learning and contributing to each other’s wisdom and steadily support the volunteer activities that our employees engage in.

“Together with the local community and society”

Our corporate activities are supported by people of the communities where we have power plants. Just as our employees as individuals aspire to be good citizens in their communities, each of our J-POWER offices also aspires to be useful to the community and society as a good corporate citizen. By being trusted by the people in the community and promoting activities will foster close relations with the people in communities, we will strive to live as members of a community and to grow together with society.

“Harmonization of energy and environment”

In order for people to lead happy lives, they need two things: energy to support their lifestyles and a better environment. We intend to make use of findings we have made concerning the environment, developed through our business activities and work together with a wide variety of people seeking to harmonize energy and the environment. Through technology and attitudes that value energy and the environment, we will contribute to the development of a sustainable Japan and a sustainable world.

- Corporate contributions to society can be defined as, “Voluntary work on social challenges in which resources or expertise are offered to help resolve said challenges without seeking direct compensation” (*).
- Guided by this creed, the J-POWER Group will bear in mind the two ideas of “working with the local community and society” and “aiming to harmonize energy and the environment” as its two main themes for activities. In doing so, we will focus our attention on (1) continuity, (2) a spirit of volunteerism, (3) cooperation, and (4) transparency as we continue our efforts to contribute to society in a way that befits the J-POWER Group.

(*) From “Activities that Contribute to Society in a CSR Era” by the Committee to Promote Social Contributions of Nippon Keidanren.

This material contains statements that constitute forward-looking statements, plans for the future and management targets, etc. relating to the Company and/or J-POWER group. These statements are made based on certain assumptions of future events, and there exist possibilities that such assumptions are objectively incorrect and that actual results may differ from those in the statements as a result of various factors.

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