

TRANSLATION: This is an English translation of the Japanese original, prepared only for the convenience of shareholders residing outside Japan. Please note that the notes to the financial statements are abbreviated in this translation. The original Japanese version will prevail should there be any difference in the meaning between the English version and the Japanese version. ELECTRIC POWER DEVELOPMENT CO., LTD. does not guarantee the accuracy and/or the completeness of the translation and shall have no liability for any errors or omissions therein.



June 2, 2008

To Our Shareholders

Yoshihiko Nakagaki
President and Representative Director
Electric Power Development Co., Ltd. (J-POWER)
15-1, Ginza 6-chome, Chuo-ku, Tokyo
(Securities code: 9513)

Notice of the 56th Ordinary General Meeting of Shareholders

Notice is hereby given that the 56th Ordinary General Meeting of Shareholders of Electric Power Development Co., Ltd. (the “Company”) will be held as specified below. All shareholders of the Company are invited to attend.

If you are unable to attend the meeting, please note that you may exercise your voting rights either via postal mail, or via electronic means such as the Internet, in which case we ask that you review the “Reference Materials for the General Meeting of Shareholders” (pages 40 through 53) and submit your votes no later than 5:30 pm, Japan local time, on Wednesday, June 25, 2008

Voting via Mail

Please indicate “for” or “against” on the enclosed Exercise of Voting Rights form, and return it to us by the voting cutoff date mentioned above.

Electronic voting e.g. the Internet

Shareholders participating in the ICJ’s Electronic Voting Platform for institutional investors may vote using this platform. You may also vote using the Company’s designated voting website (<http://www.webdk.net>; website in Japanese).

Notice

- 1. Date & Time:** Thursday, June 26, 2008 10:00 am
- 2. Place:** 3-3-1 Shibakoen, Minato-ku, Tokyo
Tokyo Prince Hotel

3. Agenda:

Items to be Reported:

- Item 1: Business Report and Consolidated Financial Statements for the 56th fiscal year (April 1, 2007 through March 31, 2008), in addition to the results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
- Item 2: Non-consolidated Financial Statements for the 56th fiscal year (April 1, 2007 through March 31, 2008)

Resolutions:

<Resolutions from the Company (Resolutions 1 through 3)>

- Resolution 1:** Distribution of Surplus
- Resolution 2:** Election of Thirteen (13) Directors
- Resolution 3:** Election of Three (3) Corporate Auditors

<Resolutions from Shareholders (Resolutions 4 through 8)>

- Resolution 4:** Amendment to Articles of Incorporation (Restriction on Stock Investment)
- Resolution 5:** Amendment to Articles of Incorporation (Minimum Three (3) Outside Directors on the Board)
- Resolution 6:** Approval of a 90 Yen Year-end Dividend
- Resolution 7:** Approval of a 50 Yen Year-end Dividend
- Resolution 8:** Acquisition of the Company's Own Shares

Please refer to the "Reference Materials for the General Meeting of Shareholders" (pages 46 through 53) for an outline of the agenda resolutions.

4. Instructions for Voting

(1) Attending the General Meeting of Shareholders

If you will be attending the General Meeting of Shareholders in person, please submit the Exercise of Voting Rights form at the reception desk.

(2) Voting by Proxy

If you are unable to attend the General Meeting of Shareholders in person, you may assign another shareholder who holds the voting right as your proxy to attend the meeting in your place (if the shareholder is a corporation, then an employee of the corporation). Please have your proxy submit a document certifying the power of proxy at the reception desk.

(3) Handling of Duplicate Votes

If a shareholder has exercised their voting right in duplicate both via mail and electronically, the vote submitted electronically shall be considered valid; if the duplicate votes were both submitted using the same method, then the vote submitted last shall be taken as valid.

(4) Relationship between Resolutions 6 and 7

According to the shareholder who proposed Resolutions 6 and 7, Resolution 7 is conditional on Resolution 6 not being approved. If Resolution 6 is approved, Resolution 7 falls.

(5) Voting on Resolutions 1, 6, and 7

Resolution 1 is in contradiction with Resolutions 6 and 7. Consequently, please be aware that voting, either via mail or electronically, for Resolution 1 and one or both of Resolutions 6 and 7 will render all of your votes with respect to Resolutions 1, 6 and 7 invalid.

(6) Informing Shareholders of Changes to Resolutions in the Reference Materials for the General Meeting of Shareholders, etc.

Should any circumstances arise that require amendments of the Reference Materials for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements, and Consolidated Financial Statements in addition to what has been announced in this notice, such amendments will be posted on the Company web site (<http://www.jppower.co.jp/english>), and such posting shall serve as notification of said changes.

(Attachments)

BUSINESS REPORT (April 1, 2007, through March 31, 2008)

I. Items Regarding Status of Group Operations

1. Overview of Operations

While the Japanese economy during this period was weak as a result of the decline in corporate profits and consumer spending, the economy as a whole continued on the overall track to recovery. However, due to factors such as the U.S. economic slowdown in light of high commodity prices such as crude oil and the sub-prime loan crisis, our economy has veered toward a downturn.

The demand for electric power in Japan during the consolidated fiscal year exceeded the level of the previous year. This was due to a continuing stable increase in industrial demand, in addition to increased demand for air conditioning due to the heat wave and increased demand for heating due to the severe winter.

Total hydroelectric and thermal electric power sales volume for the company's wholesale electricity business in this period grew by 3.6% over the previous period to 60.8 billion kWh. Hydroelectricity sales volume came to 8.3 billion kWh, a fall of 22.1% from the previous period, due to lower water flow relative to the high water flow of the previous period (water flow rates fell from 112% to 85%). However, thermal power sales volume increased by 9.3% over previous period to 52.5 billion kWh, due to higher capacity utilization.

Sales volume for other electric power businesses grew by 1.5 % over the previous period to 1.7 billion kWh, due to full year capacity utilization of Green Power Koriyama Nunobiki Co., Ltd. Total sales volume across all of our electric power businesses came to 62.5 billion kWh, an increase of 3.6 % over the previous period.

Our sales (operating revenues) for this period grew 2.5% over the previous period to 587.8 billion yen. This was due to higher capacity utilization for thermal power, despite a lower water flow and revised rates effective from September 2007 for hydroelectric and transmission contracts in wholesale electric power business. Non operating revenues increased by 65.6 % over the previous period to 21.5 billion yen, due to such factors as the sale of wind power generation company in Spain and increased returns on investments from our overseas power generation businesses accounted for under the equity method. This resulted in ordinary revenues for this period of 609.3 billion yen, an increase of 3.9% over the previous period.

On the other hand, operating expenses increased 8.2% to 537.1 billion yen in comparison with the previous period. This was due to a rise in personnel expenses owing to the calculation of retirement benefit obligation, a rise in fuel expenses stemming from higher operating levels at thermal power plants and a rise in coal prices, despite a fall in repair expenses accompanying a decrease in periodic inspections at thermal power plants and a decrease in depreciation expenses.

Including non-operating expenses, overall ordinary expenses rose 6.7% to 566.5 billion yen in comparison with the previous period.

As a result of the above, ordinary income for the period finished at 42.9 billion yen, a 22.8% decrease over the previous period. After the reversal of reserve for fluctuation in water level due to lower water flow, net income declined 16.7% over the previous period to 29.3 billion yen.

Overall, with its wholesale electric power business as its core business, the Company and its subsidiaries and affiliates (collectively, the “J-POWER Group”) saw its group operations expand successfully in a wide variety of operations during this period. Furthermore, we exceeded the targets of our three-year business plan (average consolidated ordinary income of at least 55.0 billion yen from FY 2005 through FY 2007; consolidated equity ratio of at least 23%), in this period.

2. Current Challenges

(1) Efforts Towards New Growth

The business environment surrounding the J-POWER Group is facing a time of significant change, with the need to move ahead on real measures to address global warming as the first commitment period of the Kyoto Treaty approaches; systemic low growth in domestic demand for electrical power caused, in the long run, by a falling population; and the uncertainty about the future availability and cost of resources, which have continued to jump dramatically in price over recent years.

With these challenges in mind, the J-POWER Group has adopted the “J-POWER Group Management Plan”, explained in (a) through (e) below, to build a solid foundation and to continue to maximize our consolidated corporate value.

(a) Steadily Enhanced Power Generation Facilities

Currently the J-POWER Group owns and operates facilities that generate approximately 17 GW of power, and a network of transmission lines that cover a distance of 2,400 km, linking all parts of Japan to a stable power supply. Further, the new Isogo No. 2 thermal power generating facility (located in Kanagawa Prefecture, 6MW) is under construction now, and we plan on testing operations in order to achieve the expected commencement of operations by July of 2009. In addition to the Isogo No. 2 power plant, plans for the Oma Nuclear Power Plant (located in Aomori Prefecture and slated to begin operations in March of 2012 with an output of 1.383 GW) have received regulatory approval in April of 2008, and preparations are underway for construction to begin during fiscal year 2008. When it comes to investments in such large-scale facilities as these, safety is our top priority as we proceed with construction toward providing reliable and economical sources of power.

(b) Technological Innovation and New Project Development

Given the increased expectation that we take serious measures to address global warming, for the J-POWER Group, which owns and operates several coal-fired power generating facilities, it is of increasing importance that we strike a balance between energy use and the preservation of the environment as we continue to use coal as a source of energy.

In our efforts toward further technological innovation in integrated coal gasification combined cycle power generation (IGCC) to decrease CO₂ emissions, we were successful in continuously testing oxygen-blown coal gasification for 1,000 hours in 2007, and starting in 2008, we will begin testing CO₂ recovery technology toward zero CO₂ emissions. The Company is also working jointly with Chugoku Electric Power Co., to perform large-scale concept verification tests of these and other technologies. We are also developing other technologies such as integrated gasification fuel cell (IGFC) power generation in conjunction with the use of derivative synthetic fuels and fuel cells. These are examples of how we are making real strides in projects to find replacement technologies for existing thermal energy sources.

(c) Enhancing the Value of Business Assets

Since wholesale electrical power is the major portion of our business, we feel that it is essential to the fundamental value of our business that we continue to improve and enhance the efficiency of our existing business assets. That includes our efforts to increase value by making significant investments to update facilities, including a comprehensive overhaul of equipment to improve efficiencies and output in our hydroelectric power plants. In our thermal power plants, we are addressing ways to diversify our sales to wholesale power exchanges in addition to strengthening risk management in order to further stabilize income and expenditures in the procurement of fuels. In the area of electrical transmission network facilities, we will upgrade the supervisory and control systems.

By taking steps toward such improvements, we can further improve the cost effectiveness and reliability of our equipment while enhancing our performance in the area of environmental protection, to ensure that we continue to maintain and improve our competitiveness in supplying power with our current facilities over the long-term.

(d) Global Business Expansion

Our overseas business has centered on utilizing the human resources, technologies and networks in respective countries where we have developed joint technological partnerships such as in Southeast Asia, particularly Thailand, where the growth for the demand for power is healthy. We have also partnered with 6 other countries and regions, specifically the US and China, to plan and implement 19 IPP projects, 16 of which are currently fully operational (J-POWER holds about a 2.7 GW share of the power output).

Going forward, we will continue to work toward expanding this business that forms the second pillar of the J-POWER Group, while contributing to our bottom line by strengthening and improving our operations and development structure, supported by

appropriate risk management. We will also further utilize and improve environmental technologies such as the dry-type desulfurization system (Regenerative Activated Coke Technology, “ReACT”) in conjunction with the traditional coal business to achieve the same aim.

(e) Power Generation as the Core of Diversified Business

The J-POWER Group will strive to further diversify our businesses while continuing to maintain a firm footing in our core competency of power generation. We intend to take advantage of our position as a major player in the coal market to establish an integrated profit base by improving our procurement position through coal mine development projects and coal trading in current markets. On the environmental front, we will continue to reach new milestones in the development of wind energy (the J-POWER Group has 9 power plants operational throughout Japan, with one under construction, for a total power output of 0.21 GW of power.) and renewable energy such as biomass power generation.

We are also active outside of the power generation business. We are providing services such as the construction and management of water plants and sewage treatment facilities using PFI/PPP schemes, and engineering support in dry-type desulfurization in addition to our trading operations on the wholesale power exchange as a company ready to meet the demands of a free, deregulated market.

(2) Strengthening Fundamental Corporate Structure

In order for us to achieve the management vision laid out in paragraphs (a) through (e) above, it is necessary for us to develop a framework of corporate governance dually supported by the Board of Directors with expertise in the electric power business, on the one hand, and the Board of Corporate Auditors whose members include three outside Corporate Auditors external to the company, on the other. We continue to make improvements in corporate governance in response to the changing business environment. For example, based on thorough inspections of our power generating facilities, it became clear that we needed to implement improvements in our corporate culture such as implementing rules that are not open to personal interpretation and improving our channels of communication throughout the organization and across functions. We are also pushing to further solidify the establishment of our compliance programs throughout the organization.

Moreover, not only do we need to continually enhance our earnings base to support the demand for funds required to build a solid infrastructure, we need to recruit and train human resources capable of expanding our business inside and outside Japan.

It is through these efforts that we will strive for a strong, healthy corporate infrastructure for the J-POWER Group.

3. Capital Investment

Total capital investment 122.056 billion yen

Primary Construction Projects

Category	Power Generation Facility	
Under Construction	(Hydropower) Tokuyama Power Plant *	(153,000kW)
	(Thermal Power) Isogo New No.2 Thermal Power Plant	(600,000kW)
Preparing for Start of Construction	(Nuclear Power) Oma Nuclear Power Plant	(1,383,000kW)

*The Company has reached agreement with Chubu Electric Power Co., Ltd. to apply for the necessary procedure and transfer the project after the completion of Tokuyama Dam.

4. Financing Activities

A combination of corporate bond issues and long-term loans was used, primarily to fund capital investment and pay down interest-bearing debt.

Category	Amount	Remarks
Corporate Bonds	90,000 million yen	Domestic straight bonds
Long-term Loans	114,864 million yen	
Total	204,864 million yen	

5. Trend in Assets and Profit/Loss

(1) Trend in Assets and Profit/Loss (Consolidated)

Category	53rd Term FY2004	54th Term FY2005	55th Term FY2006	56th Term FY2007
Operating revenues (millions of yen)	594,375	621,933	573,277	587,780
Ordinary income (millions of yen)	57,093	67,906	55,513	42,873
Net income (millions of yen)	35,559	43,577	35,167	29,311
Earnings per share (yen)	255.01	260.76	211.14	175.99
Total assets (millions of yen)	2,021,655	1,964,667	1,999,794	2,013,131
Net assets (millions of yen)	391,327	433,028	462,654	468,118

Notes:

1. Figures reflect application of the "Accounting Standard for Current Net Profit Per Share" (Corporate Accounting Standard Part 2, final revision January 31, 2006) and the "Policy for Applying the Accounting Standard for Current Net Profit Per Share" (Policy For Applying Corporate Accounting Standard Part 4, final revision January 31, 2006).
2. Figures for the 54th Term reflect a 1:1.2 stock split carried out on March 1, 2006.
3. Figures for the 55th Term reflect application of the "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Corporate Accounting Standard Part 5, December 9, 2005) and the "Policy for Applying the Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Policy for Applying the Corporate Accounting Standard Part 8, December 9, 2005).

(2) Trend in Assets and Profit/Loss (Non-consolidated)

Category	53rd Term FY2004	54th Term FY2005	55th Term FY2006	56th Term FY2007
Operating revenues (millions of yen)	546,702	566,016	517,273	529,250
Ordinary income (millions of yen)	47,415	51,234	37,540	22,083
Net income (millions of yen)	31,266	33,382	23,897	14,761
Earnings per share (yen)	224.89	200.08	143.48	88.63
Total assets (millions of yen)	1,949,660	1,888,333	1,893,678	1,910,290
Net assets (millions of yen)	370,137	398,717	411,789	404,842

Notes:

1. Figures reflect application of the "Accounting Standard for Current Net Profit Per Share" (Corporate Accounting Standard Part 2, final revision January 31, 2006) and the "Policy for Applying the Accounting Standard for Current Net Profit Per Share" (Policy For Applying Corporate Accounting Standard Part 4, final revision January 31, 2006).
2. Figures for the 54th Term reflect a 1:1.2 stock split carried out on March 1, 2006.
3. Figures for the 55th Term reflect application of the "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Corporate Accounting Standard Part 5, December 9, 2005) and the "Policy for Applying the Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Policy for Applying the Corporate Accounting Standard Part 8, December 9, 2005).

6. Principal Areas of Operation

The J-POWER Group is comprised of three business segments, centered on its main electric power business. The other segments are the “electric power-related businesses,” which complement the electric power business and contribute to its smooth and efficient operation, and “other businesses,” which utilize the management resources and expertise of the J-POWER Group.

Segment	Principal Areas of Activity
Electric Power Business	Wholesale electric power business, other electric power businesses
Electric Power-Related Businesses	Design, installation, inspection, and repair of power generation equipment for power plants; operation of port facilities for fuel and coal ash; coal mine development; coal importing and transport; operation of welfare facilities; computer services.
Other Businesses	Investment in overseas power generation; waste power generation; thermal and electric supply systems; environment-related businesses; information technology; domestic and overseas engineering and consulting.

A brief overview of income and expenditures (before deletion of internal transactions between segments) is provided below.

(Electric Power Business)

Sales came to 535.0 billion yen, an increase of 1.5 % over the previous period, due to high capacity utilization for thermal power in our wholesale electric business.

Operating income came to 39.9 billion yen, a decrease of 35.1% over the previous period. This was due to a rise in personnel expenses owing to the calculation of retirement benefit obligation and a rise in fuel expenses for thermal power plants, despite a fall in repair expenses accompanying a decrease in periodic inspections at thermal power plants and a decrease in depreciation expenses in addition to sales increase.

(Electric Power-related Businesses)

Sales came to 285.6 billion yen, an increase of 14.2% over the previous period. This was due to an increase in coal sales revenue, despite a revenue decrease due to decline in periodic inspections at thermal power plants.

Operating income came to 10.4 billion yen, a decrease of 33.3% over the previous period. This was due to an increase in costs of sales, despite a sales increase.

(Other Businesses)

Sales came to 35.0 billion yen, an increase of 22.9% over the previous period, due to growth in external sales by our consolidated subsidiaries.

Operating income came to 900 million yen, a decrease of 22.1% over the previous period. This was due to an increase in costs of sales, despite a sales increase.

7. Principal Subsidiaries (As of March 31, 2008)

(1) Electric Power Business

Company Name	Capitalization (millions of yen)	Equity Share (%)	Primary Areas of Business
Bay Side Energy Co., Ltd	2,400	100	Electric power supplier
Green Power Kuzumaki Co., Ltd.	490	100	Wind power facilities construction and operation
Green Power Setana Co., Ltd.	100	100	Wind power facilities construction and operation
Green Power Koriyama-Nunobiki Co., Ltd.	100	100	Wind power facilities construction and operation
Dream-Up Tomamae Co., Ltd.	10	100	Wind power facilities construction and operation
Green Power TOKIWA Co., Ltd.	250	95	Wind power facilities construction and operation
Green Power Aso Co., Ltd.	490	81	Wind power facilities construction and operation
ITOIGAWA POWER Inc.	1,006	80	Electric power supplier
Nagasaki-Shikamachi Wind Power Co., Ltd.	490	70	Wind power facilities construction and operation
Nikaho-kogen Wind Power Co., Ltd.	100	67	Wind power facilities construction and operation
J-Wind TAHARA., Ltd.	245	66	Wind power facilities construction and operation
Ichihara Power Co., Ltd.	600	60	Electric power supplier
J-Wind IROUZAKI Co., Ltd.	200	52	Wind power facilities construction and operation

(2) Electric Power-Related Businesses

Company Name	Capitalization (millions of yen)	Equity Share (%)	Primary Areas of Business
JPOWER GENEX CAPITAL Co., Ltd.	100	100	Management of IPP joint venture projects
JPec Co., Ltd.	500	100	Construction, engineering, design, consulting, and maintenance inspections for thermal and nuclear power plants; unloading and transport of coal for thermal plants, sales of fly ash, and marine transport of coal fuel for electricity generation; study, implementation, and maintenance management of forestation landscaping; environmental protection studies and planning.
JPHYTEC Co., Ltd.	500	100	Engineering, design, consulting, and maintenance inspections for hydropower plants and power transmission facilities; real estate indemnity, land surveying, civil engineering work, general architecture, project management.
Kaihatsu Denshi Gijutsu Co., Ltd.	110	100	Installation and maintenance of electronic and communications equipment
EPDC CoalTech and Marine Co., Ltd.	20	100 (100)	Marine transport of coal ash, fly ash

Company Name	Capitalization (millions of yen)	Equity Share (%)	Primary Areas of Business
Kaihatsu Sekkei Consultant Co., Ltd.	20	100	Civil engineering, general architecture, power generation facility design, project supervision.
J-POWER EnTech Co., Inc.	120	100	Engineering of equipment for removal of atmospheric and water pollutants.
J-POWER RESOURCES Co., Ltd.	1,000	100	Coal surveying, prospecting, and development, and related investments.
J-POWER AUSTRALIA PTY.LTD.	10 (million AUD)	100 (100)	Investment in coal mine development projects in Australia.
JP Business Service Corporation	450	100	Operation of public welfare facilities; building maintenance; administrative, labor, and accounting services; computer software development.

(3) Other Businesses

Company Name	Capitalization (millions of yen)	Equity Share (%)	Primary Areas of Business
J-Power Investment Netherlands B.V.	74 (million USD)	100	Management of overseas investments
J-POWER INVESTMENT U.K. LIMITED	5 (thousand USD)	100	Management of overseas investments
J-POWER North America Holdings Co., Ltd.	1 (USD)	100	Management of overseas investments
J-POWER Holdings(Thailand) Co., Ltd.	6,906 (million bahts)	100 (100)	Management of overseas investments
J-POWER Generation(Thailand)Co., Ltd.	39 (million bahts)	100 (100)	Management of overseas investments
J-POWER USA Investment Co., Ltd.	16 (USD)	100 (100)	Management of overseas investments
J-POWER USA Development Co., Ltd.	1 (USD)	100 (100)	Research and development of overseas investments
Omuta Plant Service Co., Ltd.	50	100	Operation and maintenance of waste power generating facility
FWM Investment Co., Ltd.	100	51	Management of investments for carrying out water supply business
Fresh Water Miike Co., Ltd.	48	51 (51)	Water supply and ancillary businesses
Japan Network Engineering Co., Ltd.	50	100	Telecommunications; operation and maintenance of telecommunications facilities.
Kaihatsu Hiryou Co., Ltd.	25	100 (100)	Production of coal ash-based fertilizer

Notes:

1. Equity share in parentheses indicates level of indirect holdings.
2. The Company has 61 consolidated subsidiaries, including the major subsidiaries above, and 52 affiliated companies (equity method applied).
3. A decision was made on January 15, 2008 to wind up J-POWER Investment UK Limited, which is currently in the process of being liquidated.

8. Principal Business Locations (As of March 31, 2008)

(1) The Company's Principal Offices and Power Plants

(a) Offices

Office Name		Location
Head Office		Chuo-ku, Tokyo
Branches	Hokkaido Branch	Sapporo, Hokkaido
	Eastern Japan Branch	Kawagoe, Saitama Prefecture
	Central Japan Branch	Kasugai, Aichi Prefecture
	Western Japan Branch	Osaka, Osaka Prefecture

(b) Power Plants

Sector	Power Plant Name (Location)
Hydropower (Output greater than 100,000 kW)	Okutadami, Tagokura, Otori, Shimogo (all in Fukushima Prefecture), Okukiyotsu, Okukiyotsu #2 (both in Niigata Prefecture), Numappara (Tochigi Prefecture), Shintoyone (Aichi Prefecture), Sakuma (Shizuoka Prefecture), Miboro (Gifu Prefecture) Nagano (Fukui Prefecture), Tedorigawa #1 (Ishikawa Prefecture) Ikehara (Nara Prefecture), Sendaigawa #1 (Kagoshima Prefecture) (45 other plants with output below 100,000 kW)
Thermal Power	Isogo (Kanagawa Prefecture), Takasago (Hyogo Prefecture), Takehara (Hiroshima Prefecture), Tachibanawan (Tokushima Prefecture), Matsuura, Matsushima (both in Nagasaki Prefecture), Ishikawa coal-thermal (Okinawa Prefecture), Onikobe Geothermal (Miyagi Prefecture)

(2) Location of Principal Subsidiaries

Company Name	Head Office Location
Bay Side Energy Co., Ltd	Chuo-ku, Tokyo
Green Power Kuzumaki Co., Ltd.	Kuzumaki-cho, Iwate-gun, Iwate Pref.
Green Power Setana Co., Ltd.	Setana-cho, Kudo-gun, Hokkaido
Green Power Koriyama-Nunobiki Co., Ltd.	Koriyama, Fukushima Pref.
Dream-Up Tomamae Co., Ltd.	Tomamae-cho, Tomamae-gun, Hokkaido
Green Power TOKIWA Co., Ltd.	Chuo-ku, Tokyo
Green Power Aso Co., Ltd.	Nishihara, Aso-gun, Kumamoto Pref.
ITOIGAWA POWER Inc.	Itoigawa, Niigata Pref.

Company Name	Head Office Location
Nagasaki-Shikamachi Wind Power Co., Ltd.	Shikamachi-cho, Kitamatsuura-gun, Nagasaki Pref.
Nikaho-kogen Wind Power Co., Ltd.	Nikaho, Akita Pref.
J-Wind TAHARA., Ltd.	Tahara, Aichi Pref.
Ichihara Power Co., Ltd.	Ichihara, Chiba Pref.
J-Wind IROUZAKI Co., Ltd.	Chuo-ku, Tokyo
JPOWER GENEX CAPITAL Co., Ltd.	Chuo-ku, Tokyo
JPec Co., Ltd.	Chuo-ku, Tokyo
JPHYTEC Co., Ltd.	Chiyoda-ku, Tokyo
Kaihatsu Denshi Gijutsu Co., Ltd.	Bunkyo-ku, Tokyo
EPDC CoalTech and Marine Co., Ltd.	Chuo-ku, Tokyo
Kaihatsu Sekkei Consultant Co., Ltd.	Nakano-ku, Tokyo
J-POWER EnTech Co., Inc.	Minato-ku, Tokyo
J-POWER RESOURCES Co., Ltd.	Chuo-ku, Tokyo
J-POWER AUSTRALIA PTY. LTD.	Australia
JP Business Service Corporation	Koto-ku, Tokyo
J-Power Investment Netherlands B.V.	The Netherlands
J-POWER INVESTMENT U.K. LIMITED	U.K.
J-POWER North America Holdings Co., Ltd.	U.S.A.
J-POWER Holdings(Thailand) Co., Ltd.	Thailand
J-POWER Generation(Thailand) Co., Ltd.	Thailand
J-POWER USA Investment Co., Ltd.	U.S.A.
J-POWER USA Development Co., Ltd.	U.S.A.
Omuta Plant Service Co., Ltd.	Omuta, Fukuoka Pref.
FWM Investment Co., Ltd.	Omuta, Fukuoka Pref.
Fresh Water Miike Co., Ltd.	Omuta, Fukuoka Pref.
Japan Network Engineering Co., Ltd.	Chuo-ku, Tokyo
Kaihatsu Hiryou Co., Ltd.	Takehara, Hiroshima Pref.

Note: A decision was made on January 15, 2008 to wind up J-POWER Investment UK Limited, which is currently in the process of being liquidated.

9. Employees (As of March 31, 2008)

(1) Employees of the J-POWER Group

Segment	Number of Employees
Electric Power Business	2,219
Electric Power-Related Businesses	4,068
Other Businesses	237
Total	6,524

Note: The number of temporary employees is less than 10% of the total, and thus is not reflected here.

(2) Employees of the Company

Number of Employees	Change Since Previous FY	Average Age	Average Years of Service
2,201	27	39.5	18.7

Notes:

- 1.Number of Employees does not include 814 employees on loan.
- 2.The number of temporary employees is less than 10% of the total, and thus is not reflected here.

10.Principal Lenders

Bank	Loan Balance at End of this Period
Mizuho Corporate Bank, Ltd.	87,137 million yen
Sumitomo Mitsui Banking Corporation	68,054 million yen
Nippon Life Insurance Company	66,665 million yen
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	64,906 million yen
The Norinchukin Bank	54,120 million yen

II. Items Regarding Shares of the Company

1. Shares (As of March 31, 2008)

- (1) Number of shares authorized for issue 660,000,000 shares
- (2) Number of shares issued 166,569,600 shares
(including 15,171 shares of treasury stock)
- (3) Number of shareholders 37,774
- (4) Major shareholders

Shareholder Name	Status of Investment	
	Shares (thousands)	Equity Ratio (%)
The Children's Investment Master Fund	16,498	9.90
Deutsche Bank AG London 610	9,557	5.74
Nippon Life Insurance Company	9,120	5.48
Mizuho Corporate Bank,Ltd	8,269	4.96
Sumitomo Mitsui Banking Corporation	4,295	2.58
Morgan Stanley & Co. International plc	4,242	2.55
The Bank of Tokyo-Mitsubishi UFJ,Ltd.	4,140	2.49
JP Morgan Chase Bank 380055	4,090	2.46
Daido Life Insurance Company	3,658	2.20
Japan Trustee Services Bank,Ltd.(Account in Trust)	3,418	2.05

III. Items Regarding Officers of the Company

1. Directors and Corporate Auditors (As of March 31, 2008)

Title	Name	Responsibilities and representation, etc., of other companies
President (Representative Director)	Yoshihiko Nakagaki	
Vice-President (Representative Director)	Shinichiro Ota	<ul style="list-style-type: none"> · Assistant to the president for businesses described below [Accounting & Finance Dept., Environment & Energy Business Dept., International Power Business Dept.]
Vice-President (Representative Director)	Kiyoshi Sawabe	<ul style="list-style-type: none"> · Assistant to the president for businesses described below [Secretarial Affairs & Public Relation Dept., Personnel & Employee Relations Dept., General Affairs Dept., Energy Business Dept.] · Regional Operations (Central) · Compliance and risk management (matters under special assignment)
Vice-President (Representative Director)	Masayoshi Kitamura	<ul style="list-style-type: none"> · Assistant to the president for businesses described below [Corporate Planning & Administration Dept., Business Planning Dept., Power Sales Dept., Power System Operation Dept.] · Regional Operations (Central Region) · Nuclear Power Dept. (matters under special assignment)
Vice-President (Representative Director)	Masashi Hatano	<ul style="list-style-type: none"> · Assistant to the president for businesses described below [Hydropower & Transmission System Dept., Thermal Power Dept., Nuclear Power Dept., Technology Development Center] · Regional Operations (East and West Region)
Managing Director	Yasuo Maeda	<ul style="list-style-type: none"> · Civil and Electrical Engineering Dept. · Thermal Power Engineering Dept. · Nuclear Power Dept., Environment & Energy Business Dept., International Power Business Dept. (matters under special assignment) · Compliance and risk management (matters under special assignment)
Managing Director	Kanji Shimada	<ul style="list-style-type: none"> · Power Sales Dept. · Power System Operation Dept. · Regional Operations (Central Region)
Managing Director	Yoshihiko Sakanashi	<ul style="list-style-type: none"> · Business Planning Dept. · Energy Business Dept. · Regional Operations (West Region)
Managing Director	Minoru Hino	<ul style="list-style-type: none"> · Nuclear Power Dept.
Director	Masaharu Fujitomi	<ul style="list-style-type: none"> · Technology Development Center · Nuclear Power Dept., global environmental problems (matters under special assignment)
Director	Toshifumi Watanabe	<ul style="list-style-type: none"> · Accounting & Finance Dept. · Personnel & Employee Relations Dept.
Director	Tomoo Kosugi	<ul style="list-style-type: none"> · Civil and Electrical Engineering Dept. · Hydropower & Transmission System Dept. · Regional Operations (East Region)
Director	Koichi Tazawa	<ul style="list-style-type: none"> · Thermal Power Engineering Dept. · Thermal Power Dept.
Senior Corporate Auditor	Masayuki Hori	(Full-time)

Title	Name	Responsibilities and representation, etc., of other companies
Senior Corporate Auditor	Akio Ushio	(Full-time)
Corporate Auditor	Yasuo Matsushita	
Corporate Auditor	Mutsutake Otsuka	Chairman and director, East Japan Railway Company
Corporate Auditor	Hideaki Miyahara	Chairman and representative director, Toyota Tokyo Rental & Leasing Co., Ltd.

Notes:

1. Yasuo Matsushita, Mutsutake Otsuka and Hideaki Miyahara are outside corporate auditors.
2. Akio Ushio (Corporate Auditor) has experience as a Director of the Company (in charge of Accounting & Finance), and is knowledgeable in both finance and accounting.
3. Yasuo Matsushita (Corporate Auditor) has experience managing financial institutions, and is knowledgeable in both finance and accounting.
4. Mutsutake Otsuka (Corporate Auditor) was elected for a temporary outside corporate auditor by the decision of Tokyo District Court on April 25, 2007. He was then elected for Corporate Auditor at the 55th Ordinary General Meeting of Shareholders held on June 27, 2007.

2. Directors' and Corporate Auditors' Remuneration

Category	Number of Persons	Total Amount
Directors	13	415 million yen
Corporate Auditors (Outside Corporate Auditors)	5 (3)	79 million yen (15 million yen)
Total	18	495 million yen

Notes:

1. Per a resolution passed at the 54th Ordinary General Meeting of Shareholders on June 28, 2006, Directors' remuneration was capped at 625 million yen annually (a fixed monthly salary calculated according to position and once-yearly performance pay. Employee salaries for those also working as employees are excluded).
2. Per a resolution passed at the 54th Ordinary General Meeting of Shareholders on June 28, 2006, Corporate Auditors' remuneration was capped at 120 million yen annually (a fixed monthly salary calculated according to position).
3. Directors' remuneration includes a performance pay of 52 million yen for this period.
4. Retirement benefits paid to Directors and Corporate Auditors in this period, per shareholder resolution, were as follows. At the Board of Directors meeting held on May 22, 2006, it was decided that officer retirement benefit system would be abolished as of the end of the 54th Ordinary General Meeting of Shareholders held on June 28, 2006.

Retiring Directors (two)	88 million yen
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3. Items Regarding Outside Officers

(1) Key Activities in this Period

Name (Title)	Key Activities
Yasuo Matsushita (Corporate Auditor)	Has attended all the Board of Directors and Corporate Auditors' meetings during this period and contributed primarily from his distinguished knowledge as a financial institution manager with a wide range of experience.
Mutsutake Otsuka (Corporate Auditor)	Has attended all the Board of Directors and Corporate Auditors' meetings since he took office on June 27, 2007, and contributed primarily from his distinguished knowledge and experience as the Director of a listed company.
Hideaki Miyahara (Corporate Auditor)	Has attended all the Board of Directors and Corporate Auditors' meetings since he took office on June 27, 2007, and contributed primarily from his distinguished knowledge and experience as the Director and the Corporate Auditor of a listed company.

(2) Overview of Limitation of Liability Contracts

In accordance with Article 427, paragraph 1 of the Corporation Law, the company has entered into contracts with its outside corporate auditors that limit their liability for damages arising from failure to perform duties. The limit of their liability under these contracts is the amount prescribed by the relevant law.

IV. Status of Accounting Auditors

1. Name of Accounting Auditor

Ernst & Young Shin Nihon

2. Amount of Accounting Auditor Remuneration in this Period

Segment	Amount Paid
Amount of compensation paid in this period	46 million yen
Total amount owed to accounting auditors by the Company and its subsidiaries in the form of cash or other financial benefit.	93 million yen

Notes:

1. According to the Auditing Agreement between the Company and its accounting auditors, no separation is made in auditor remuneration between auditing under the Corporation Law and auditing under the Securities and Exchange Law, and since the two cannot, in fact, be distinguished, the amount noted above represents total compensation for services under both categories in the current period.
2. Of our key subsidiaries, eleven companies, including J-POWER AUSTRALIA PTY., Ltd. use the accounting audit services of other audit firms.

3. Non-audit Work

The Company has consigned certain work, such as advisory work for the so-called J-SOX laws, outside of that defined in Article 2, Section 1 of the Certified Public Accounting Law (non-audit work), to its Accounting Auditor.

4. Policy Regarding Discharge or Non-reelection of Accounting Auditors

In addition to the discharge of Accounting Auditors by the Board of Corporate Auditors, as provided for in Article 340 of the Corporation Law, the Company, at the behest of or with the consent of its Board of Corporate Auditors, may put forth a resolution at its General Meeting of Shareholders calling for the discharge or non-reelection of its Accounting Auditors if they are deemed unable to adequately perform their duties, or for other justifiable reason.

V. Corporate Structure and Policies

1. Systems for Ensuring Appropriate Business Operations

(1) Systems for Ensuring that the Execution of Business Operations by Directors and Employees is Suitable to Laws, Regulations, and the Articles of Incorporation

Directors, in accordance with the “J-POWER Codes of Conduct for Corporate Activities” based on the “J-POWER Corporate Philosophy,” strive of their own initiatives to set an example of honest and fair conduct in the spirit of resolute compliance with the law and an ethical outlook, and to thoroughly instill the same in their employees.

To ensure appropriate execution of business operations, the Internal Audit Department, as an organization directly affiliated with President, shall self-audit the respective business operations executed in each institution in addition to auditing business operations internally.

To promote compliance in the activities of each employee, including managers, the “Compliance Code” has been formulated as a more specific criterion for assessing business activities. The systems for promoting compliance, as an organization that strives to discuss policies for observing compliance, evaluate situations for carrying them out, and respond to issues of non-compliance throughout the Company, in addition to setting up Directors in charge of compliance who shall assist President and execute business operations promoting compliance, has set up the “Company-wide Compliance Action Committee” chaired by President, and below it the “Compliance Observation Headquarters,” which promptly and appropriately carries out business operations concerning the observation of compliance. A “Compliance Consultation Point” has also been established in the Internal Audit Department and an external law office to serve as a direct point of contact for employees who seek for advice on compliance issues. In addition to these aspects of our compliance system, an “Oath of Compliance” has been circulated to all Directors, Executive Officers, and employees in an effort to raise awareness of compliance issues in a handy, easy-to-read format.

To improve transparency and accountability of corporate activities, the “Disclosure Committee” chaired by President has been set up to carry out the timely disclosure of corporate information in a proactive, fair, and transparent manner.

To ensure reliability of financial reports, we shall strive, according to laws and regulations both internal and external, to maintain and implement internal governance concerning financial reports for the entire J-POWER Group and to evaluate its effectiveness.

(2) Systems for Maintaining and Managing Information Concerning the Directors’ Execution of Business Operations

Directors shall regularly, and whenever required, report on situations involving the execution of business operations to either meetings of the Board of Directors or Executive Committee, record the meeting minutes thereof according to both internal and external laws and regulations, and maintain and manage them appropriately. Documentation concerning the execution of other business operations shall also be appropriately drafted, maintained, and managed according to internal regulations.

(3) Regulations and Other Systems of Risk Management

Regarding risks involved in the execution of corporate activities, we shall make thoroughgoing efforts through a mutually supervised decision-making process, discussions at all meeting bodies, and the maintenance of routine, internal regulation-based risk management systems, to raise awareness of risks and set up policies for avoiding them, and also strive to minimize the impact of losses when risks occur.

(4) Systems for Ensuring that Directors Efficiently Execute Business Operations

The Board of Directors' meetings, in principle, shall be held once a month or when required, whereas Executive Committee attended by all Directors, Executive Officers, and full-time Corporate Auditors shall be held, in principle, once a week to discuss essential Company-wide matters relevant to the President's execution of business operations on the basis of matters raised in Board meetings and policies decided by the Board of Directors. Furthermore, business meetings composed of all Representative Directors, affiliated Directors, and Executive Officers shall, in principle, be held twice a month to discuss essential matters concerning the execution of business operations on a case-by-case basis. In addition to the allocation of functions through meetings by Directors and Executive Officers and business meetings, a system of Executive Officers shall be implemented to clarify responsibilities and jurisdiction, make appropriate and prompt decisions, and effectively conduct Company operations through the creation of a system that divides responsibilities for the execution of business operations among Directors and Executive Officers.

(5) Systems for Ensuring Appropriate Execution of Business Operations by the Corporate Group Comprising the Company and its Subsidiaries

Management of affiliated Companies shall strive, in its basic policy, for the comprehensive expansion of the J-POWER Group as a whole according to the J-POWER Group's business plan, and also strive, in addition to the management of affiliated companies according to internal regulations, for realization of appropriate business operations by the corporate group through the Group Management Committee. Corporate Auditors and the Internal Audit Department shall audit affiliated companies to ensure the appropriateness of business operations by the corporate group.

(6) Matters Concerning Employees when Corporate Auditors Request the Placement of Said Employees to Assist Business Operations; Matters Concerning the Independence of the said Employees from the Directors

As for the Corporate Auditor personnel system, the Corporate Auditors' Office shall be set up independent of the chain of command of the Directors, and an exclusive staff shall be set up to assist audits made by the Corporate Auditors. Matters concerning the personnel of the Corporate Auditors' Office shall furthermore be discussed with the Full-time Corporate Auditors.

(7) Systems Whereby Directors and Employees Report to Corporate Auditors and Other Systems Involving Reports Made to Corporate Auditors

The following shall be reported to Corporate Auditors:

- Matters potentially incurring significant losses to the Company
- Results of audits conducted by the Internal Auditing Department
- Other matters required for the Corporate Auditors to carry out their professional duties

(8) Other Systems for Ensuring Efficient Audits by Corporate Auditors

Directors shall set up an environment enabling Corporate Auditors to attend meetings of the Board of Directors, Executive Committee, and Management Executive Committee and other such business meetings, hear situations concerning the execution of business operations by Directors and others, and smoothly conduct investigations of all Company institutions and their principal subsidiaries. Directors shall furthermore set up an environment conducive to mutual cooperation whereby Corporate Auditors can decide on plans for conducting audits and make reports of their results.

2. Basic Policy Regarding Control of the Company

In the more than half-century since the Company was founded in 1952 to help augment the domestic supply of electric power, it has continued to deliver low-cost, stable power, and to build and operate a nationwide infrastructure of primary transmission lines, contributing to the growth of our nation's economy and improvement of the standard of living of its citizens.

During this time, the Company has continued to hold as its corporate philosophy the mission to meet the peoples' need for energy with an uninterrupted supply, and to contribute to the sustainable growth of Japan and the world, while making the coexistence of energy and the environment the keynote of our business, working to build an attractive business with stable growth, and continuing our never ending efforts to build corporate value.

Our business is most characterized by investment in power plants and other public infrastructure, and in recovering that investment through the long-term operation of those facilities. We believe that over the course of these long-term operations, it is through cooperation with our many stakeholders, and our ability to deliver stable growth, that we are able to maximize the corporate value of the Company.

While we hope that our shareholders will understand the unique characteristics of our business, we also believe that our shareholders should naturally be free to exercise their own will in buying or selling Company stock.

Nevertheless, when it comes to large-scale acquisition of Company shares with the intent to acquire management control, the Directors of the Company, who serve at your mandate, also believe that a response needs to be based on careful consideration, in light of corporate value, of the benefits to our shareholders collectively.

As a result, in cases where the shareholders and Directors have not been provided with sufficient time or information to properly consider such a move, or when, upon consideration, it is determined that such an attempt represents potentially serious damage to the collective interests of our shareholders, and consequently to our corporate value, the Company's policy shall be to take such measures as are appropriate and permitted under the Corporate Law and other relevant laws.

CONSOLIDATED BALANCE SHEETS (As of March 31, 2008)

Assets	(millions of yen)
Property, plant and equipment	1,864,374
Power plants	1,265,497
Hydroelectric power production facilities	450,635
Thermal power production facilities	504,468
Internal combustion power generation facilities	14,141
Transmission facilities	229,312
Transformation facilities	34,310
Communication facilities	9,289
General facilities	23,339
Other property, plant & equipment	40,270
Construction in progress	327,429
Nuclear fuel	10,310
Investments and other assets	220,866
Long-term investments	165,015
Deferred tax assets	51,777
Other investments	4,222
Allowance for doubtful accounts	(149)
Current assets	148,756
Cash and bank deposits	33,961
Notes and accounts receivable	44,650
Short-term investments	2,983
Inventories	25,329
Deferred tax assets	5,655
Other current assets	36,253
Allowance for doubtful accounts	(77)
Total assets	2,013,131

CONSOLIDATED BALANCE SHEETS (As of March 31, 2008) — (Continued)

Liabilities	(millions of yen)
Long-term liabilities	1,276,354
Bond	602,903
Long-term loans	624,495
Accrued employee retirement benefits	39,083
Other allowances	553
Deferred tax liabilities	1,462
Other long-term liabilities	7,856
Current liabilities	267,097
Current portion of long-term debt and other	101,565
Short-term loans	6,126
Commercial paper	88,949
Notes and accounts payable	14,790
Income and other taxes payable	11,407
Other allowances	555
Deferred tax liabilities	2
Other current liabilities	43,700
Reserves under special laws	1,560
Reserve for fluctuation in water levels	1,560
Total liabilities	1,545,012
Net Assets	
Shareholders' equity	464,266
Common stock	152,449
Capital surplus	81,849
Retained earnings	230,032
Treasury stock	(64)
Valuation and translation adjustments	2,116
Unrealized gain on other securities	1,934
Deferred hedging gain or loss	(6,759)
Foreign currency translation adjustments	6,941
Minority interests	1,735
Total net assets	468,118
Total liabilities and net assets	2,013,131

CONSOLIDATED STATEMENTS OF INCOME (Year ended March 31, 2008)

Revenues	(millions of yen)
Operating revenues	587,780
Electric power	531,764
Other	56,016
Non-operating revenues	21,543
Dividend income	1,567
Interest income	1,213
Gain on sales of securities	3,911
Equity income of affiliates	8,879
Other	5,972
Total ordinary revenues	609,324
Expenses	
Operating expenses	537,056
Electric power	477,869
Other	59,186
[Operating income	50,724]
Non-operating expenses	29,394
Interest expenses	22,749
Other	6,644
Total ordinary expenses	566,450
Ordinary income	42,873
(Provision for) reversal of reserve for fluctuation in water levels	(595)
Income before income taxes and minority interests	43,469
Income taxes - current	15,962
Income taxes - deferred	(1,829)
Minority losses	24
Net income	29,311

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Year ended
March 31, 2008)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
	(millions of yen)				
Balance at March 31, 2007	152,449	81,849	210,713	(56)	444,956
Changes during the period					
Dividends on retained earnings	—	—	(9,993)	—	(9,993)
Net income	—	—	29,311	—	29,311
Acquisition of treasury stock	—	—	—	(7)	(7)
Changes in items other than shareholders' equity (net)	—	—	—	—	—
Total	—	—	19,318	(7)	19,310
Balance at March 31, 2008	152,449	81,849	230,032	(64)	464,266

	Valuation and translation adjustments					Minority interests	Total net assets
	Unrealized gain on other securities	Deferred hedging gain or loss	Foreign currency translation adjustments	Total valuation and translation adjustments			
	(millions of yen)						
Balance at March 31, 2007	14,271	(4,131)	6,090	16,230	1,468	462,654	
Changes during the period							
Dividends on retained earnings	—	—	—	—	—	(9,993)	
Net income	—	—	—	—	—	29,311	
Acquisition of treasury stock	—	—	—	—	—	(7)	
Changes in items other than shareholders' equity (net)	(12,336)	(2,628)	851	(14,113)	267	(13,846)	
Total	(12,336)	(2,628)	851	(14,113)	267	5,464	
Balance at March 31, 2008	1,934	(6,759)	6,941	2,116	1,735	468,118	

NON-CONSOLIDATED BALANCE SHEETS (As of March 31, 2008)

Assets	(millions of yen)
Property, plant and equipment	1,819,393
Power plants	1,254,172
Hydroelectric power production facilities	441,129
Thermal power production facilities	510,443
Transmission facilities	233,026
Transformation facilities	35,559
Communication facilities	10,125
General facilities	23,887
Incidental business-related property, plant & equipment	2,504
Non-operating property, plant & equipment	607
Construction in progress	326,336
Nuclear fuel	10,310
Investments and other assets	225,462
Long-term investments	72,069
Long-term investments in affiliated companies	117,195
Long-term prepaid expenses	3,256
Deferred tax assets	33,515
Allowance for doubtful accounts	(574)
Current assets	90,896
Cash and bank deposits	4,051
Accounts receivable	39,036
Accrued income	7,198
Inventories	21,800
Prepaid expenses	1,355
Short-term loans to affiliated Companies	5,793
Deferred tax assets	3,482
Other current assets	8,198
Allowance for doubtful accounts	(20)
Total assets	1,910,290

NON-CONSOLIDATED BALANCE SHEETS (As of March 31, 2008) — (Continued)

Liabilities	(millions of yen)
Long-term liabilities	1,241,004
Bond	602,903
Long-term loans	599,350
Long-term accrued liabilities	3
Long-term accrued liabilities in affiliated companies	2,767
Accrued employee retirement benefits	28,585
Other long-term liabilities	7,395
Current liabilities	262,882
Current portion of long-term debt and other	98,995
Short-term loans	6,000
Commercial paper	88,949
Accounts payable	3,649
Accrued accounts	4,771
Accrued expenses	9,598
Income and other taxes payable	8,920
Deposits received	279
Short-term debt to affiliated companies	39,932
Advances received	444
Other current liabilities	1,341
Reserves	1,560
Reserve for fluctuation in water levels	1,560
Total liabilities	1,505,447

NON-CONSOLIDATED BALANCE SHEETS (As of March 31, 2008) — (Continued)

Net Assets	(millions of yen)
Shareholders' equity	403,672
Common stock	152,449
Capital surplus	81,852
Additional paid-in capital	81,852
Retained earnings	169,436
Legal reserve	6,029
Other retained earnings	163,406
Reserve for special disaster	47
Exchange-fluctuation preparation reserve	1,960
General reserve	132,861
Retained earnings carried forward	28,538
Treasury stock	(64)
Valuation and translation adjustments	1,169
Unrealized gain on other securities	1,068
Deferred hedging gain or loss	101
Total net assets	404,842
Total liabilities and net assets	1,910,290

NON-CONSOLIDATED STATEMENTS OF INCOME (Year ended March 31, 2008)

Ordinary revenues	(millions of yen)
Operating revenues	529,250
Electric power	517,318
Electric power sales to other companies	457,292
Transmission revenues	54,934
Other electricity revenues	5,090
Incidental business revenues	11,932
Consulting business	2,402
Coal sales business	8,747
Other incidental business	783
Non-operating revenues	9,844
Financial revenues	5,332
Dividend income	4,275
Interest income	1,057
Non-business revenues	4,512
Gain on sale of fixed assets	1,067
Other	3,444
Total ordinary revenues	539,095
Ordinary expenses	
Operating expenses	489,363
Electric power	478,579
Hydroelectric power production expenses	61,114
Thermal power production expenses	312,292
Power purchased from other companies	1,214
Transmission expenses	28,680
Transformation expenses	6,621
Selling expenses	1,546
Communication expenses	6,000
General and administrative expenses	54,353
Enterprise tax	6,756
Incidental business expenses	10,783
Consulting business	1,828
Coal sales business	8,117
Other incidental business	837
[Operating income]	39,887

NON-CONSOLIDATED STATEMENTS OF INCOME (Year ended March 31, 2008) —

(Continued)

	(millions of yen)
Non-operating expenses	27,648
Financial expenses	21,937
Interest expenses	21,648
Bond issue expenses	288
Non-business expenses	5,710
Loss on sale of fixed assets	2
Other	5,708
Total ordinary expenses	517,011
Ordinary income	22,083
(Provision for) reversal of reserve for fluctuation in water levels	(595)
Income before income taxes	22,678
Income taxes - current	11,338
Income taxes - deferred	(3,421)
Net income	14,761

NON-CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Abbreviated) (Year ended March 31, 2008)

	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
					(millions of yen)
Balance at March 31, 2007	152,449	81,852	164,667	(56)	398,912
Changes during the period					
Dividends on retained earnings	—	—	(9,993)	—	(9,993)
Net income	—	—	14,761	—	14,761
Acquisition of treasury stock	—	—	—	(7)	(7)
Changes in items other than shareholders' equity (net)	—	—	—	—	—
Total	—	—	4,768	(7)	4,760
Balance at March 31, 2008	152,449	81,852	169,436	(64)	403,672

	Valuation and translation adjustments				Total net assets
	Unrealized gain on other securities	Deferred hedging gain or loss	Total valuation and translation adjustments		
					(millions of yen)
Balance at March 31, 2007	12,761	116	12,877		411,789
Changes during the period					
Dividends on retained earnings	—	—	—		(9,993)
Net income	—	—	—		14,761
Acquisition of treasury stock	—	—	—		(7)
Changes in items other than shareholders' equity (net)	(11,693)	(15)	(11,708)		(11,708)
Total	(11,693)	(15)	(11,708)		(6,947)
Balance at March 31, 2008	1,068	101	1,169		404,842

THE AUDIT REPORT OF THE ACCOUNTING AUDITOR CONCERNING THE CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Auditor

May 12, 2008

To the Board of Directors
Electric Power Development Co., Ltd.

Ernst & Young Shin Nihon
Nobutaka Motohashi (seal)
Designated and Engagement Partner
Certified Public Accountant
Akira Chiba (seal)
Designated and Engagement Partner
Certified Public Accountant
Kenji Deguchi (seal)
Designated and Engagement Partner
Certified Public Accountant

In accordance with the provisions of Article 444, paragraph 4 of the Corporate Law, we have audited the consolidated financial statements of Electric Power Development Co., Ltd (the “Company”), for the period between April 1, 2007, and March 31, 2008. These statements consist of the consolidated balance sheets, the consolidated statements of income, the consolidated statement of changes in shareholders’ equity, and notes on significant accounting policies used in preparation of the consolidated financial statements. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an independent opinion regarding these financial statements based on our audit as independent auditor.

We conducted our audit in accordance with generally accepted auditing standards in Japan. Those audit standards require that we obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used, the methods of application thereof, and estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material aspects, the financial results of operations of the Company and its consolidated subsidiaries for the period covered by the aforesaid financial statements in conformity with the generally accepted accounting principles in Japan.

Our firm and engagement partners have no interests in the Company required to be disclosed pursuant to the relevant provisions of the Certified Public Accountant Law of Japan.

**THE AUDIT REPORT OF THE ACCOUNTING AUDITOR CONCERNING THE
NON-CONSOLIDATED FINANCIAL STATEMENTS**

Report of Independent Auditor

May 12, 2008

To the Board of Directors
Electric Power Development Co., Ltd.

Ernst & Young Shin Nihon
Nobutaka Motohashi (seal)
Designated and Engagement Partner
Certified Public Accountant
Akira Chiba (seal)
Designated and Engagement Partner
Certified Public Accountant
Kenji Deguchi (seal)
Designated and Engagement Partner
Certified Public Accountant

In accordance with the provision of Article 436, paragraph 2 (1) of the Corporate Law, we have audited the non-consolidated financial statements of Electric Power Development Co., Ltd (the “Company”), for the period between April 1, 2007, and March 31, 2008. These statements consist of the non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statement of changes in shareholders’ equity, notes on significant accounting policies used in preparation of the non-consolidated financial statements and supplemental statements. These non-consolidated financial statements and supplemental statements are the responsibility of the Company’s management. Our responsibility is to express an independent opinion regarding these financial statements and supplemental statements based on our audit as independent auditor.

We conducted our audit in accordance with generally accepted auditing standards in Japan. Those audit standards require that we obtain reasonable assurance about whether the non-consolidated financial statements and supplemental statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the non-consolidated financial statements and supplemental statements. An audit also includes assessing the accounting principles used, the methods of application thereof, and estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and supplemental statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, non-the consolidated financial statements and supplemental statements referred to above present fairly, in all material aspects, the financial results of operations of the Company for the period covered by the aforesaid financial statements in conformity with the generally accepted accounting principles in Japan

Our firm and engagement partners have no interests in the Company required to be disclosed pursuant to the relevant provisions of the Certified Public Accountant Law of Japan.

REPORT OF THE BOARD OF CORPORATE AUDITORS

Audit Report

The Board of Corporate Auditors hereby reports as follows regarding the performance of duties by the Directors of the Electric Power Development Co., Ltd. (the “Company”) during its 56th fiscal year, from April 1, 2007 through March 31, 2008, based on reports prepared by each Corporate Auditor and subsequent deliberations of the Board of Corporate Auditors.

1. Method of the audits by the individual Corporate Auditors and the Board of Corporate Auditors; content of audits

In addition to receiving reports on the progress in and results of audits by the individual Corporate Auditors, based on the Board of Auditors’ policies and audit plans, the Board of Corporate Auditors also received reports on business performance from the Directors and the Accounting Auditors, and requested explanations from them as necessary.

In accordance with the auditing standards, policies, and plans set forth by the Board of Corporate Auditors, each of the Corporate Auditors worked to communicate with the Directors, the Internal Audit Department, and other employees in collecting information and establishing an appropriate audit environment. Corporate Auditors also participated in meetings of the Board of Directors and other key meetings, received reports from the Directors and other employees regarding the performance of their duties, and when necessary, requested explanations of those reports. Corporate Auditors also reviewed key decision documents, and conducted surveys of the operations and assets of both the head office and other local offices.

Further, Corporate Auditors were responsible for monitoring and verifying the status of various corporate structures, including those necessary to ensure compliance by Directors with relevant laws and the Articles of Incorporation, and those needed for ensuring the fair performance of the Company’s operations as a public corporation, namely decisions by the Board of Directors regarding the establishment of systems as set forth in Article 100, Paragraphs 1 and 3 of the Enforcement Regulation of the Corporate Law (the internal control system).

Additional consideration was given to the policies set forth in Article 127, Section 1 of the Enforcement Regulation of the Corporate Law, as noted in the Business Reports, based on the status of deliberations at the meeting of Board of Directors and other key meetings.

Regarding subsidiaries, Corporate Auditors worked to communicate with the Boards of Directors, Corporate Auditors, and other parties at those subsidiaries, and when necessary conduct hearings with them regarding the status of their performance of duties, including surveys of operations and assets of those subsidiaries.

Based on the above methods, Corporate Auditors examined the Business Report regarding the fiscal year under review.

Further, while also monitoring and reviewing the audit of the Accounting Auditor to ensure they maintained an independent position and conducted their audits fairly, Corporate Auditors received reports from them regarding the performance of their duties, and when necessary, asked for further explanation regarding those reports.

Corporate Auditors also received notice from the Accounting Auditor in accordance with “the system for ensuring appropriate execution of their duties” (as enumerated in Article 159 of the Company Accounting Regulation Ordinance) in compliance with the “Quality Control Standards Relating to Auditing” (adopted by the Business Accounting Deliberations Council in October 28, 2005), and, where necessary, Corporate Auditors requested further explanation regarding that notice.

Based on the above methods, Corporate Auditors proceeded to review the non-consolidated financial statements (consist of the non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statement of changes in shareholders’ equity, and notes on significant accounting policies used in preparation of the non-consolidated financial statements) with supplemental statements, and the consolidated financial statements (consist of the consolidated balance sheets, the consolidated statements of income, the consolidated statement of changes in shareholders’ equity, and notes on significant accounting policies used in preparation of the consolidated financial statements) for the fiscal year under review.

2. Audit Results

(1) Results of Audit of Business Reports, etc.

- (i) The Board of Corporate Auditors confirms that the Business Reports conformed to the applicable laws and the Articles of Incorporation, and that they accurately present the situation of the Company.
- (ii) With respect to the performance of the Directors, the Board of Corporate Auditors confirmed that there has been no improper act committed, nor important violation of applicable law or the Articles of Incorporation.
- (iii) The Board of Corporate Auditors confirmed that decisions by the Board of Directors regarding the Company’s internal control systems to be fair and adequate, and found no areas that require mention regarding their performance of duties with respect regarding the internal control systems.
- (iv) The Board of Corporate Auditors confirmed no items that need to be pointed out regarding the Basic Policy Regarding Control of the Company, noted in the Business Report.

(2) Results of Audit of Non-consolidated Financial Statements and Supplemental Statements

The Board of Corporate Auditors confirms that the methods used and results achieved by the Accounting Auditor, Ernst & Young Shin Nihon, to be fair and adequate.

(3) Results of Audit of Consolidated Financial Statements

The Board of Corporate Auditors confirms that the methods used and results achieved by the Accounting Auditors, Ernst & Young Shin Nihon, to be fair and adequate.

May 16, 2008

Board of Corporate Auditors
Electric Power Development Co., Ltd.

Masayuki Hori (seal)
Senior Corporate Auditor (Full-time)

Akio Ushio (seal)
Senior Corporate Auditor (Full-time)

Yasuo Matsushita (seal)
Corporate Auditor (outside corporate auditor)

Mutsutake Otsuka (seal)
Corporate Auditor (outside corporate auditor)

Hideaki Miyahara (seal)
Corporate Auditor (outside corporate auditor)

REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

<Resolutions from the Company (Resolutions 1 through 3)>

Resolution 1: Distribution of Surplus

The most notable feature of our business model is to gain investment returns from long-term business operations focused on the construction and operation of power plants. We expect to continue applying an appropriate level of retained earnings towards business investments that will lead to new growth, while, recognizing that our financial position requires reinforcement, also working to further build equity capital.

With this in mind, we have weighed the importance of a stable dividend and have attempted to realize growth in shareholder distributions through the growth of the Company.

We have successfully achieved our three-year management targets (relating to average consolidated ordinary profit and consolidated shareholders' equity ratio) from FY 2005 through FY 2007. We believe that our efforts to achieve these targets have substantially strengthened our earning capacity on a consolidated-basis, with a more stable foundation for our wholesale power business and the introduction of new businesses such as our power generation business abroad. As a result, although short-term future prospects are not optimal, we expect continual and stable growth in the mid-to-long term future.

Therefore, based on the degree of achievement of the management targets, expected profit amounts in the coming years, and financial status of the Company, at the Ordinary General Meeting of Shareholders in June 2008, we will propose a 70 Yen per share dividend in aggregate for FY 2007, which represents an increase of 10 Yen per share compared with FY 2006. As we have already paid an interim dividend of 30 Yen per share in November 2007, we propose an additional 40 Yen per share year-end dividend for FY 2007.

We will maintain this level of dividend (70 Yen per share per annum) distributions in the upcoming years and make best efforts to achieve the new management targets by continuing to improve efficiencies, increasing the reliability of our existing facilities, developing new power plants, and improving the earning capacity of our power generation business abroad.

Based on the above, as for the distribution of surplus for the year under review, we propose as follows:

1. Matters regarding the year-end dividend for the 56th fiscal year

(1) Matters regarding allocation of dividends to shareholders and total amount thereof

40 yen per share of common stock of the Company

Total amount: 6,662,177,160 yen

(2) Effective date of dividends from surplus

June 27, 2008

2. Other matters regarding distribution of surplus

(1) Item of surplus to be increased and amount of increase

General reserve: 5,000,000,000 yen

(2) Item of surplus to be decreased and amount of decrease

Retained earnings carried forward: 5,000,000,000 yen

Resolution 2: Election of Thirteen (13) Directors

The term of appointment for all thirteen (13) Directors expires as of the end of this meeting. Therefore, we propose the election of thirteen (13) Directors.

The Director candidates are as follows:

Candidate Number	Name (Date of Birth)	Brief Personal History, Representative Position in Other Corporations, and Position if Currently a Director of the Company	Number of Shares of the Company Held
1	Yoshihiko Nakagaki (March 10, 1938)	<p>April 1961 Joined the Company</p> <p>March 1992 Department Director of Power Development Dept.</p> <p>September 1995 Department Director of Planning Dept.</p> <p>June 1996 Director, Department Director of Planning Dept.</p> <p>June 1998 Managing Director</p> <p>June 2000 Vice President and Representative Director</p> <p>June 2001 President and Representative Director (current position)</p>	12,240 shares
2	Shinichiro Ota (May 13, 1946)	<p>July 1969 Joined the Ministry of International Trade and Industry</p> <p>July 2002 Commissioner of the Japan Patent Office</p> <p>September 2003 Advisor to Sampo Japan Inc.</p> <p>June 2005 Vice President and Representative Director of the Company (current position)</p>	3,900 shares
3	Kiyoshi Sawabe (September 11, 1946)	<p>July 1969 Joined the Company</p> <p>June 1998 Department Director of General Affairs Dept.</p> <p>June 2001 Director</p> <p>June 2004 Managing Director</p> <p>June 2005 Vice President and Representative Director (current position)</p>	4,920 shares
4	Masayoshi Kitamura (May 11, 1947)	<p>April 1972 Joined the Company</p> <p>June 2000 Department Director of Planning Dept.</p> <p>June 2001 Director, Department Director of Planning Dept.</p> <p>April 2002 Director</p> <p>June 2004 Managing Director</p> <p>June 2007 Vice President and Representative Director (current position)</p>	8,840 shares
5	Masashi Hatano (January 19, 1947)	<p>April 1969 Joined the Company</p> <p>January 2001 Department Director of Thermal Power Dept.</p> <p>April 2002 Officer, Department Director of Thermal Power Dept.</p> <p>June 2003 Officer, Senior Advisor</p> <p>June 2004 Director</p> <p>June 2005 Managing Director</p> <p>June 2007 Vice President and Representative Director (current position)</p>	7,040 shares

Candidate Number	Name (Date of Birth)	Brief Personal History, Representative Position in Other Corporations, and Position if Currently a Director of the Company	Number of Shares of the Company Held
6	Yasuo Maeda (January 31, 1951)	<p>April 1974 Joined the Company</p> <p>October 2002 Officer, Department Director of Engineering Dept.</p> <p>June 2004 Director, Executive Officer and Department Director of Engineering Dept.</p> <p>June 2006 Managing Director (current position)</p>	5,080 shares
7	Kanji Shimada (March 29, 1952)	<p>April 1975 Joined the Company</p> <p>June 2000 Department Director of New Business Development Dept.</p> <p>July 2001 Department Director of Business Development Dept.</p> <p>April 2002 Executive Officer, Department Director of Business Development Dept.</p> <p>June 2003 Department Director of General Affairs Dept.</p> <p>June 2004 Director</p> <p>June 2007 Managing Director (current position)</p>	6,880 shares
8	Yoshihiko Sakanashi (November 12, 1953)	<p>April 1976 Joined the Company</p> <p>July 2001 Office Director of Business Development Strategy Office</p> <p>October 2002 Executive Officer, Department Director of Business Planning Dept.</p> <p>June 2004 Director</p> <p>June 2007 Managing Director (current position)</p>	4,540 shares
9	Minoru Hino (November 11, 1947)	<p>April 1971 Joined the Company</p> <p>June 2000 Department Director of Nuclear Power Dept.</p> <p>April 2002 Executive Officer, Department Director of Nuclear Power Dept</p> <p>June 2004 Executive Officer, Senior Advisor</p> <p>June 2006 Director</p> <p>June 2007 Managing Director (current position)</p>	3,800 shares

Candidate Number	Name (Date of Birth)	Brief Personal History, Representative Position in Other Corporations, and Position if Currently a Director of the Company	Number of Shares of the Company Held
10	Masaharu Fujitomi (October 17, 1949)	<p>April 1973 Joined the Ministry of International Trade and Industry</p> <p>September 1999 Deputy Director-General of the Agency for Natural Resources and Energy</p> <p>January 2001 Deputy Director-General of Nuclear and Industrial Safety Agency, the Ministry of Economy, Trade and Industry</p> <p>October 2002 Director of the Institute of Energy Economics, Japan</p> <p>June 2003 Managing Director of the Institute of Energy Economics, Japan</p> <p>June 2006 Director of the Company (current position)</p>	1,700 shares
11	Toshifumi Watanabe (March 10, 1955)	<p>April 1977 Joined the Company</p> <p>April 2002 Department Director of Planning Dept. and Office Director of Privatization Office</p> <p>October 2002 Department Director of Corporate Planning & Administration Dept. and Office Director of Privatization Office</p> <p>June 2004 Department Director of Corporate Planning & Administration Dept.</p> <p>June 2006 Director (current position)</p>	2,800 shares
12	Tomoo Kosugi (May 8, 1948)	<p>April 1973 Joined the Company</p> <p>June 2003 Executive Officer, Department Director of Hydropower & Power Network Dept.</p> <p>June 2005 Executive Officer, Senior Advisor</p> <p>June 2006 Executive Managing Officer</p> <p>June 2007 Director (current position)</p>	2,000 shares
13	Koichi Tazawa (May 29, 1952)	<p>April 1977 Joined the Company</p> <p>June 2003 Superintendent of Tachibanawan Thermal Power Plant, Thermal Power Dept.</p> <p>June 2004 Executive Officer, Department Director of Thermal Power Dept.</p> <p>June 2006 Executive Managing Officer</p> <p>June 2007 Director (current position)</p>	3,400 shares

Notes:

1. There is no conflict of interest between any of the Director candidates and the Company.
2. Of the Director candidates in positions of responsibilities at the Company as its Directors, the responsibilities of Yoshihiko Nakagaki, Shinichiro Ota, Kiyoshi Sawabe, Masayoshi Kitamura, Masashi Hatano, Yasuo Maeda, Kanji Shimada, Yoshihiko Sakanashi, Minoru Hino, Masaharu Fujitomi, Toshifumi Watanabe, Tomoo Kosugi, and Koichi Tazawa are as described on page 17 and 18.

Resolution 3: Election of Three (3) Corporate Auditors

The term of appointment for Corporate Auditor Masayuki Hori expires as of the end of this meeting. In addition, Corporate Auditor Akio Ushio and Yasuo Matsushita will retire as of the end of this meeting.

Therefore, we propose the election of three (3) Corporate Auditors.

The Board of Corporate Auditors has approved this Resolution.

The Corporate Auditor candidates are as follows:

Candidate Number	Name (Date of Birth)	Brief Personal History, Representative Position in Other Corporations, and Position if Currently a Corporate Auditor of the Company	Number of Shares of the Company Held
1	Masayuki Hori (July 10, 1946)	<p>April 1977 Joined the Company</p> <p>February 2000 Department Director of Civil Engineering & Architecture Dept.</p> <p>June 2001 Director, Department Director of Civil Engineering & Architecture Dept.</p> <p>July 2001 Director, Department Director of Engineering Center</p> <p>April 2002 Director, Executive Officer and Department Director of Engineering Dept.</p> <p>October 2002 Director</p> <p>June 2004 Senior Corporate Auditor (current position)</p>	6,600 shares
2	Takashi Fujiwara (November 8, 1948)	<p>April 1972 Joined the Ministry of Finance</p> <p>July 2002 Director-General of Planning and Coordination Bureau, the Financial Services Agency</p> <p>July 2003 Resigned</p> <p>September 2003 Vice-Director, Non-Life Insurance Rating Organization of Japan</p> <p>July 2006 Director, Representative Executive Officer (Chairman and Chief Regulatory Officer), Jasdaq Securities Exchange, Inc (current position)</p>	0 shares
3	Motohito Sunamichi (September 30, 1954)	<p>April 1978 Joined the Company</p> <p>July 2006 Department Director of Civil and Electrical Engineering Dept. (current position)</p>	240 shares

Notes:

1. Corporate Auditor candidate Takashi Fujiwara intends to resign his position as a Director, Representative Executive Officer (Chairman and Chief Regulatory Officer) at JASDAQ Securities Exchange, Inc. as of June 10, 2008.
2. There is no conflict of interest between any of the Corporate Auditor candidates and the Company.
3. Takashi Fujiwara is an outside Corporate Auditor candidate. With his distinguished knowledge and experience he acquired through working in the Finance Administration and serving as Director, Representative Executive Officer (Chairman and Chief Regulatory Officer) at the Stock Exchange, we expect him to contribute strong management oversight. We endorse his election as an outside Corporate Auditor. Should you choose to elect him, the Company intends to enter into contract with him that limits his liability for damages arising from failure to perform duties. The limit under that contract will be the amount prescribed by the relevant laws.

<Resolutions from Shareholders (Resolution 4 through 8)>

Resolution 4: Amendment to Articles of Incorporation (Restriction on Stock Investment)

Proposed Resolution:

The following provisions shall be inserted into the Company's Articles of Incorporation as a new Article 35:

Article 35 (Restriction on Stock Investments)

1. The aggregated amount of stock investment (which shall mean the aggregated balance sheet amount of stock to be categorised under "long-term investments" or "short-term investments" in the "assets" section of the balance sheet as at the relevant fiscal year) by the Company (including indirect investments through a third party such as the Company's subsidiary) shall not exceed JPY 5 billion.
2. If the Company is in violation of the restriction under the preceding paragraph, it shall dispose of the stocks so as to rectify the violation without delay.

Reasons for the Proposal:

- 1) The Company had approximately JPY 68 billion worth of stock investments as at March 2007, but it is not incorporated to be a fund manager. Article 2 of the Articles of Incorporation limits the Company's investments to "investments in such business which the Company considers to be necessary for its own business" and therefore, the above mentioned current stock investments is outside the scope of the Company's business objects under the Articles of Incorporation;
- 2) Stock investment is an inefficient use of the Company's scarce capital resource, which reduces Return on Equity and diverts the management's attention from improving the management of the Company's core business; and
- 3) The merits of cross-shareholdings are unclear and they are likely to be used as a tool for the entrenchment of the management of both companies, which reduces management efficiency and corporate value. Therefore, it is necessary to establish discipline by setting a ceiling on the aggregate amount and imposing management accountability on making stock investments.

(Company note): The above is an exact transcription of the translation, as provided by the shareholder, of the proposed resolution and the reasons for proposal.

Opinion of the Board of Directors Regarding the Resolution 4

The Board of Directors of the Company has announced its objection to the proposal.

This proposal would make it seriously difficult for us to be engaged in transactions such as business or strategic alliances involving equity investments or mergers and acquisitions, and would therefore interfere with the goal of maximizing the value of the company and value for all of our shareholders.

In connection with our opposition to this proposal, it is useful to explain the policies and reasoning behind the Company's equity investments.

As we prepared to take the Company public, on the base of further improving stability and efficiencies of our electric power business, one of the key management issues was to create new business opportunities through utilizing our experienced human resources and sophisticated intellectual assets.

Prior to privatization, our experience and expertise had been limited under the relevant laws and regulation including the Electric Power Development Promotion Law. Therefore, we decided to pursue, in order to overcome our limited management resources, a strategy of aggressively promoting collaboration with other companies. As one method for achieving this goal, we are acquiring shares in companies where we believe future synergies could be expected.

As a result of this strategy, we have succeeded in generating new business in a wide range of ventures and in developing new technologies, and we are beginning to have results including some in areas where there is potential for future development, such as plant construction in the wholesale electricity business, stabilizing material and fuel procurement and shipping, management of IPP (*i.e.*, independent power producers) and power generation for PPS (*i.e.*, power producers and suppliers), wind and waste power generation.

Building a framework for collaboration through such cooperative relationships is an effective way to supplement our own management resources and enhance our knowledge base, and we are quite confident that such measures would maximize value of the Company and value for all of our shareholders.

Resolution 5: Amendment to Articles of Incorporation (Minimum Three (3) Outside Directors on the Board)

Proposed Resolution:

The provisions of Article 18 of the Company's Articles of Incorporation shall be amended as follows:

Article 18 (Number of Directors)

The Company shall have 16 Directors, of which at least 3 shall be Outside Directors.

Reasons for the Proposal:

- 1) The Proposing Shareholder believes that it is very important that key business judgments are made under appropriate tension by increasing monitoring, checks and balance on management decisions. This proposal serves the purpose;
- 2) Having Outside Directors will increase Board accountability and protect interest of all shareholders rather than just cross-shareholders. By establishing a stronger corporate governance, the legitimacy and appropriateness of decisions on such matters as capital expenditures, employee remuneration, stock investments and return to shareholders can be ensured;
- 3) The current management consists of entirely internal executive directors. By complementing with Outside Directors, the Board can benefit from different skills, knowledge and experience, which enhances quality of overall decision making and improve management efficiency; and
- 4) Other leading Japanese companies are adopting Outside Directors as well.

(Company note): The above is an exact transcription of the translation, as provided by the shareholder, of the proposed resolution and the reasons for proposal.

Opinion of the Board of Directors Regarding Resolution 5

The Board of Directors of the Company has announced its objection to the proposal.

This proposed amendment to the Articles of Incorporation would force the Company to appoint some board members in certain defined capacities as Outside Directors irrespective of whether they have sufficient knowledge and qualifications to fulfill their duties, or are otherwise the most appropriate candidates for the position. It would interfere with the shareholders' right

to elect directors from the best possible candidates, which would in turn make it difficult for the Board of Directors to perform its role optimally.

By assigning directors who have extensive hands-on experience over many years in development planning, technology, finance, and regulation in the power industry to not only perform executive functions in their duties as directors but also to perform oversight functions, we believe we are achieving an optimal level of performance of the Board of Directors.

At the same time, in order to manage our expansion of business, we implemented a system of executive officers who have empowered by the Board of Directors with functions of business executions.

Following changes to regulations concerning the system of Outside Corporate Auditors under the corporate law of Japan, we increased the number of Outside Corporate Auditors from two to three, giving us a structure in which the Outside Corporate Auditors represent a majority of total auditors, although regulatory requirements only call for a number equal to the internal Corporate Auditors.

Both of our two internal Corporate Auditors' attendance and participation in important meetings in the process of decision-making enables them to provide all of our Corporate Auditors' access to corporate information with a high degree of transparency from a position independent from the executive division.

Our three Outside Corporate Auditors all have very extensive experience in managing huge organizations and making business decisions. They are also highly independent from the Company even in terms of Sarbanes-Oxley Act of 2002 of the United States or the NYSE Listed Company Manual's independence tests. They gain an insight into executive performance in the Company by gathering information through timely explanations provided by the executive division, exchanges of opinions with internal Corporate Auditors, communication with directors, and information gained through internal auditing staff. They have attended *all* meetings of the Board of Directors and meetings of the Board of Corporate Auditors and provided appropriate advice and observations.

Our current governance structure thus operates on the basis of a delegation of clear roles through our corporate management consisting of board members and executive officers, who are thoroughly versed in our company's affairs, and a Board of Corporate Auditors, consisting of experienced internal Corporate Auditors and Outside Corporate Auditors, which provides independent oversight of corporate management. We believe, at this moment, this structure works effective enough, without any essential problem.

Meanwhile, in view of our social responsibility and need for closer communication with our shareholders as a respected publicly-traded company, we continue to sincerely evaluate and re-evaluate our system of corporate governance to make it even more transparent and effective. Topics for discussion include setting up an advisory board with a view to placing better information and expertise at the disposal of the Board of Directors; achieving more effective oversight by the Board of Corporate Auditors; and implementing changes in the structure of the Board of Directors, including the possibility of introducing Outside Directors at and after the Ordinary General Meeting of Shareholders in 2009.

Resolution 6: Approval of a 90 Yen Year-end Dividend

Proposed Resolution:

The year-end dividend for the 56th fiscal year shall be JPY 90 per common share.

Reasons for the Proposal:

- 1) Higher dividend improves Return on Equity and capital efficiency, thereby rewarding and showing respect to all shareholders;
- 2) The Company's current dividend (which is approximately JPY 10 billion per annum) is too low when compared to the average return to shareholders by listed EPCOs (Tohoku, Hokuriku, Chugoku, Shikoku and Kyushu EPCOs) with similar generation capacity and earnings (which is approximately JPY 20 billion per annum). The proposed dividend will allow the same level of return to shareholders;
- 3) Compared to management's desire to spend capital expenditure of about JPY 1,000 billion in the next 5 years (increased from JPY 110 billion per annum in the past few years), JPY 10 billion of dividend is too low. Such low level of shareholder return encourages undue risk taking by management and signals lack of confidence in producing appropriate return on the large spending; and
- 4) The Company had approximately JPY 68 billion worth of high risk and low-returning equity investments and cross-shareholdings as at March 2007. These can be liquidated promptly and by doing so J-Power will have more funds available for sustainable dividends.

(Company note): The above is an exact transcription of the translation, as provided by the shareholder, of the proposed resolution and the reasons for proposal.

Opinion of the Board of Directors Regarding Resolution 6

The Board of Directors of the Company has announced its objection to the proposal.

The opinion of the Board of Directors regarding this proposal is as described in Resolution 1 Distribution of Surplus (page 40).

Resolution 7: Approval of a 50 Yen Year-end Dividend

Proposed Resolution:

The year-end dividend for the 56th fiscal year shall be JPY 50 per common share.

Reasons for the Proposal:

The Company is a privatized company owned by shareholders who should be entitled a choice of dividends they deem appropriate.

As stated in “Reasons for the Proposal” for “Approval of a 90 yen year-end dividend”, while the Proposing Shareholder believes that the year-end dividend for the 56th fiscal year should be JPY 90, some shareholders may prefer lower dividends. This proposal provides this choice in the spirit of providing shareholder democracy which would otherwise not be available.

(Company note): The above is an exact transcription of the translation, as provided by the shareholder, of the proposed resolution and the reasons for proposal.

Opinion of the Board of Directors Regarding Resolution 7

The Board of Directors of the Company has announced its objection to the proposal.

The opinion of the Board of Directors regarding this proposal is as described in Resolution 1 Distribution of Surplus (page 40).

Resolution 8: Acquisition of the Company's Own Shares

Proposed resolution:

Pursuant to Article 156 of the Companies Act of Japan, during the one-year period from the date immediately following the closing of the Company's 56th annual ordinary general meeting of shareholders, the Company shall be authorised to acquire its own ordinary shares up to 15 million shares, for an aggregate monetary amount not exceeding JPY 70 billion.

Reasons for the proposal:

- 1) The purpose of this proposal is to provide another tool for management to improve Return on Equity and capital efficiency. The management has not taken advantage of Article 8 of the Articles of Incorporation which allows the Board to repurchase the Company's own shares in the market. This proposal sets a specific target;
- 2) Other EPCOs such as Chubu, Kansai, Shikoku and Hokuriku EPCOs, together with other leading Japanese companies undertake stock repurchase to enhance shareholder value;
- 3) The management should consider not only overseas and diversification investments but also share repurchase. The proposal encourages the management to compare potential investments with return to shareholders through share repurchase and to carefully assess the merits of alternative investments; and
- 4) As pointed out in "Approval of a 90 yen year-end dividend", the high risk and low-returning equity investments and cross-shareholdings of about 68b Yen should be liquidated promptly and doing so will allow the repurchase to be implemented.

(Company note): The above is an exact transcription of the translation, as provided by the shareholder, of the proposed resolution and the reasons for proposal.

Opinion of the Board of Directors Regarding Resolution 8

The Board of Directors of the Company has announced its objection to the proposal.

This proposal would make it difficult for us to strengthen the financial condition of the Company, including, *inter alia*, the shareholders' equity ratio, the improvement of which is one of our key management concerns. Accordingly, we believe that it would be inappropriate, at this time, to authorize the Company to repurchase certain amount of its own shares.

In recent years, improving the financial condition of the Company has been one of our key management concerns, and in pursuit of this improvement we have been making continuous efforts to improve especially the shareholders' equity ratio. As a result of these efforts, our

shareholders' equity ratio on a consolidated basis rose to 23.2% in FY2007, which represents a considerable improvement over the 7.7% equity ratio of FY2002, five years ago.

While the Company has continued to work hard, our shareholders' equity ratio levels continue to be low compared with other Japanese power companies. As the business environment surrounding our electric power business continues to change, we believe that, going forward, to maintain sound fund raising potential, taking into account the roll-over of existing loans that exceed 100 billion yen annually, we will need to carefully monitor the levels of other companies in the sector, and to maintain our own numbers at levels at least not significantly below these.

Please note that we can execute a share buy-back through market, etc. by the resolution of the Board of Directors pursuant to Article 8 of the Articles of Incorporation, irrespective of this Proposal.

Please refer to Resolution 1 on page 40 for our policy regarding shareholder distributions and to the Opinion of the Board of Directors Regarding the Resolution 4 on page 47 for our policy regarding equity investment.

(Reference)

Notes on Exercising the Voting Rights

Resolution 1 from the Company (Company proposal: Distribution of Surplus) and two Resolutions (6 and 7) from the Shareholders have been proposed concerning the year-end dividends. **Please note that, when voting on these three Resolutions concerning the year-end dividends, voting for a Company proposal (Resolution 1) and one or both of the two Shareholders' proposals (Resolutions 6 and 7) will render all of your votes on Resolutions 1, 6 and 7 invalid.**

Regarding the two Shareholders' proposals (Resolutions 6 and 7), Resolution 7 is conditional upon Resolution 6 not being approved, and therefore, it is valid to vote for both proposals. In addition to the above, please refer to the "Instructions for Voting" on page 2 and 3.