

December 15, 2003

J-POWER

Chia-Hui Gas-Fired Thermal Power Plant (Taiwan) Put into Commercial Operation

-J-POWER's First IPP Project in Taiwan-

The Electric Power Development Company (J-POWER) (Head Office: Chuo-ku, Tokyo; President and Chief Executive Officer: Yoshihiko Nakagaki) had been engaged in collaboration with Asia Cement Corporation of Taiwan in the construction of a gas-fired thermal power plant (rated output capacity: 670,000kW) at Ming-Hsiung Hsian in Chia-Yi Province of Taiwan (some 200km southwest of Taipei). The project has been concluded with the commissioning of the plant for commercial operation as of today, December 15, 2003.

For J-POWER, this is the first involvement in an IPP project in Taiwan.

This power plant is a large-scale gas-fired combined-cycle thermal power station developed on an IPP (Independent Power Producer) basis in Taiwan. Construction work was commenced in January 2002 and made such smooth progress that it was ready for commissioning on this date well ahead of schedule. (The initial plan had envisaged a start of commercial operation in March 2004.)

The entire power output from this power plant is to be sold to Taiwan Power Company (Taipower), Taiwan's sole power operator.

J-POWER had concluded a Technical Support Agreement with Chiahui Power Corporation, the operator of this project. Under the Agreement, J-POWER dispatched two of its engineers to the Chiahui Power Corporation to provide technical support in the construction of the power plant.

With the start of commercial operation of this plant, J-POWER's record of power plant projects (IPP projects) abroad reaches a total of 11 projects, ten of which are in service (total output capacity: approx. 2,070,000kW) and one of which is still in the planning stage.

J-POWER made its investments in this project through its wholly owned overseas investment company J-POWER Investment Netherlands B.V., founded in the Netherlands in November 2002.

1. Project Outline

1. Location	Ming-Hsiung Hsian, Chia-Yi Province, Taiwan (see project location map)
-------------	--

2. Type	Gas-fired combined cycle
3. Output Capacity	670,000kW
4. Fuel	Natural gas (25-year purchase agreement signed with China National Petroleum Corporation (CNPC))
5. Scheme	Build, Own and Operate (BOO) method
6. Customer	25-year power vending agreement (PPA) signed with Taiwan Power Company
7. Operation and Maintenance	Put out on contract to the operation and maintenance company of General Electric (GE)
8. Overall Operating Cost	14.4 billion Taiwan dollars (approx. 50 billion yen, subject to an exchange rate of 3.5 yen to Taiwan dollar)
9. Schedule	Construction work commenced in January 2002 Commercial operation started in December 2003

2. Outline of Local Operating Company

1. Name	Chiahui Power Corporation
2. Location	Ming-Hsiung Hsian, Chia-Yi Province, Taiwan (some 200km southwest of Taipei)
3. Established	April 1996
4. Number of Employees	Approx. 25
5. Capitalization Fund	Authorized capital: 4.3 billion Taiwan dollars (approx. 15 billion yen) Paid-in capital: 4.3 billion Taiwan dollars (approx. 15 billion yen)
6. Equity Share	Asia Cement (including its affiliates) - 59% Other private shareholders - slightly under 1% J-POWER - 40%
7. Nature of Business	Main construction and operation entity of the Chia-Hui gas-fired combined-cycle plant
8. Directors	3 from Asia Cement, 2 from J-POWER: Total 5 directors

Attachments:

Project Schematic

Project Location Map

Ref. 1: Current Status of J-POWER's Involvement in Overseas IPP Projects

Project Schematic

1. Dutch investment company
2. Wholly-owned subsidiary
3. Technical Support Agreement
4. Owner's consultant
5. Asia Cement
6. Other private shareholders
7. Chia-Hui Power Corporation - 670,000kW Capacity Chia-Hui LNG Combined-Cycle Thermal Power Plant
8. 1% equity share
9. Power vending agreement
10. Fuel procurement agreement
11. EPC agreement
12. Agreement for construction of power transmission lines
13. Agreement for construction work, including ground preparation, gas pipe and industrial water supply pipe installation, and industrial water supply facilities.
14. Local companies
15. Sumitomo Corp., Toshiba
16. Sato Kensetsu Kogyo
17. Taipower
18. CNPC

Ref. 1: Current Status of J-POWER's Involvement in Overseas IPP Projects (as of December, 2003)

[Projects in Commercial Operation]

1. Leyte Geothermal Power Plant, the Philippines (49,000kW)
 - J-POWER's share in investment equity: 10%
 - Plant put into commercial operation in January 1998 (J-POWER's capital participation goes back to May 1997)
2. Thaioil Power Gas Cogeneration Plant, Thailand (Electric power: 114,000kW, steam: 141.5 tons/hour)
 - J-POWER's share in investment equity: 19%
 - Plant put into commercial operation in April 1998 (J-POWER's capital participation goes back to April 2001)
3. Independent Power Gas-Fired Thermal Power Plant, Thailand (700,000kW)
 - J-POWER's share in investment equity: 11% (Indirect investment through Thaioil Power Co., Ltd.)
 - Plant put into commercial operation in August 2000 (J-POWER's capital participation goes back to April 2001)
4. Tianshi Debris-Fired Power Plant, China (50,000kW)
 - J-POWER's share in investment equity: 24%
 - Plant put into commercial operation in May 2001 (J-POWER's capital participation goes back to

December 2000)

5. Gulf Gas Cogeneration Plant, Thailand (Electric power: 107,000kW, steam: 32 tons/hour)

- J-POWER's share in investment equity: 49% (Indirect investment through Gulf Electric Public Co., Ltd.)

- Plant put into commercial operation in September 1998 (J-POWER's capital participation goes back to November 2001)

6. Nong Khae Gas Cogeneration Plant, Thailand (Electric power 127,000kW, steam 26 tons/hour)

- J-POWER's share in investment equity: 49% (Indirect investment through Gulf Electric Public Co., Ltd.)

- Plant put into commercial operation in December 2000 (J-POWER's capital participation goes back to November 2002)

7. Samutprakran Gas Cogeneration Plant, Thailand (Electric power 127,000kW, steam 26 tons/hour)

- J-POWER's share in investment equity: 49% (Indirect investment through Gulf Electric Public Co., Ltd.)

- Plant put into commercial operation in August 1999 (J-POWER's capital participation goes back to November 2002)

8. Rayong Gas Cogeneration Plant, Thailand (Electric power 116,000kW, steam 30 tons/hour)

- J-POWER's share in investment equity: 20%

- Plant put into commercial operation in January 2003 (J-POWER's capital participation goes back to March 2001)

9. Roi Et Rice Chaff Fired Thermal Power Plant, Thailand (9,995kW)

- J-POWER's share in investment equity: 26%

- Plant put into commercial operation in May 2003 (J-POWER's capital participation goes back to April 2000)

10. Chia-Hui Gas Combined-Cycle Thermal Power Plant, Taiwan (670,000kW)

- J-POWER's share in investment equity: 40% (Indirect investment through J-POWER Investment Netherlands B.V.)

- Plant put into commercial operation in December 2003 (J-POWER's capital participation goes back to January 2003)

[Project Being Planned]

11. Ramagundam Coal-Fired Thermal Power Plant, India (520,000kW)

- J-POWER's share in investment equity: 11%

- The schedule is to execute the work by establishing a separate local subsidiary for supervising the installation work during the construction period and for plant operation and maintenance after completion.