

September 30, 2005
J-POWER (Electric Power Development Co., Ltd.)

Revision of hydroelectric power and transmission contract rates

Our company has agreed with the relevant electric companies to lower the rates in the hydroelectric power and transmission contracts and to apply the new rates beginning October 1st of the current year.

The value of the reduction resulting from the rate revision is ¥ 17 billion (annual basis), which corresponds to approximately 9 % of the hydroelectric power and transmission contract rates.

This rate revision is based on the economic conditions of low interest rates and consumer price stability in recent years as well as the business environment of electric power deregulation and the resulting increase in competition. It is also a result of our company's efforts to make business operations more efficient.

While the current rate revision is to cause a decrease of about ¥ 8.5 billion in income and profit during the year ending March 31, 2006, our full-year forecasts have not been changed since the rate decrease was already incorporated into the forecasts for the current year, which were announced in May.

Reference

The full-year forecasts are for the year ending March 31, 2006 (announced in May 2005).

Unit : million yen

	Operating Revenues	Ordinary Income	Net Income
Consolidated	approximately 578,000	approximately 55,000	approximately 36,000
Non-Consolidated	approximately 525,000	approximately 43,000	approximately 28,000