

## Our Basic Policy Regarding Profit Distribution to Shareholders and our Decision to Undertake the Share Split

In the announcement of the consolidated financial statements for the year ended March 31, 2005, we expressed our intention to review our basic approach to profit distribution in light of changes in the business environment, the status of our growth investments, and our efforts to strengthen our financial position. Now we would like to make known the revised “Basic Policy Regarding Profit Distribution to Shareholders” and announce our decision to undertake a share split in line with this policy.

### 1. Our Basic Policy Regarding Profit Distribution to Shareholders

#### (Characteristics of Our Business)

The most prominent characteristic of our business is that we secure returns on our investment in power plants and other infrastructure through the long-term operation of these facilities by utilizing our long-term enterprise management expertise in power supply, including the construction of power plants. Therefore, our current profits are derived from power supply assets that our company has developed over decades, and the new power supply assets that our company develops in the years ahead will become the source of our future revenues.

In this way, the business results achieved over the long term will become a source of shareholder returns, so we hope that our shareholders will understand the nature of our business cycle and support our company over the long term.

#### (Our Basic Policy Regarding Profit Distribution to Shareholders)

In consideration of the characteristics of our business described above, it is our intention to continue to reflect the results of our efforts for medium and long-term profit growth in future profit distributions to shareholders, and we will place the utmost importance on continuing to provide a stable level of dividends.

On this occasion, in response to shareholder expectations, we have decided to increase the level of direct returns to our shareholders after taking into consideration forecasts of future business results, our financial position, and the scale of our investments. It is also our intention to maintain this level in the future as well.

### 2. Regarding the Share Split

In order to increase profit distributions to our shareholders, to improve the liquidity of our shares, and to broaden our investor base, we shall undertake a share split based on the basic policy described above and in consideration of factors such as the following:

(1) In the short term we are steadily progressing toward the management targets of achieving consolidated ordinary income of over 55.0 billion yen (3-year average from FY2005 to FY2007) and a consolidated shareholders' equity ratio of 23% by the end of FY2007.

(2) In the medium-term, we anticipate a demand for large-scale capital due to the construction of the Isogo New No. 2 Plant and the Oma Nuclear Power Plant. Therefore, the strengthening of our financial position will continue to be an important management issue.

- On March 1, 2006, one share of common stock is to be split into 1.2 shares.
- We intend to pay a year-end dividend per share of 30 yen for the fiscal year ending on March 31, 2006, as already disclosed, and when the share split is taken into account, this represents an effective dividend increase of 20%.

Please refer to the separate document "Notification Regarding the Share Split" for details regarding the share split.

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