

April 6, 2006
J-POWER

J-POWER acquires equity interest in Tenaska Frontier Power Plant, U.S.
– The first IPP business in the U.S. for J-POWER –

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Working through the U.S. corporation established in January 2005, J-POWER (Electric Power Development Company, President: Yoshihiko Nakagaki) has concluded a contract with Tenaska Energy and CES for the acquisition of a 62% equity interest in the U.S. corporation, Tenaska Frontier Partners, Ltd. (Tenaska FP). Tenaska FP owns the Tenaska Frontier Power Plant (output: 830,000kW, gas combined) located near Houston, Texas.

The current owners of Tenaska FP—Tenaska Energy (47%), Diamond Generating (28%), and CES (25%)—have operated the Tenaska Frontier Generating Station since its establishment in September 2000. Generated power is sold to Exelon and provided to the state of Texas and other entities.

Several merits of Tenaska FP attracted J-POWER when part of the company's equity interest was put out to competitive tender: (1) the owners, the business partners under the deal, are outstanding; (2) the Power Plant operation is stable; and (3) the company can be expected to bring in stable and satisfactory profits, based on its electric power sales contracts over 20 years. J-POWER will acquire a 37% interest from Tenaska and a 25% interest from CES, for a total of 62%, under the deal.

The completion of the acquisition is expected around May of this year, after regulatory license and approval procedures have been obtained from the U.S. authorities.

Once the deal is executed, Tenaska FP will have three owners: J-POWER, with a 62% interest, Diamond Generating, with a 28% interest, and Tenaska Energy, with a 10% interest.

Tenaska Operation Inc. will continue to operate the Power Plant.

J-POWER established a local corporation in the U.S. in January 2005 to promote IPP business. The acquisition of Tenaska FP, marks the launch of J-POWER's first IPP project in the U.S. J-POWER continues to explore other IPP opportunities in the country.

J-POWER has invested in 13 overseas IPP projects which are now in operation in six countries/regions. Two projects are due to commence operations soon.

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Outline of the Tenaska Frontier Generation Station Project

Location	Shiro, Texas U.S.A.; approximately 110 km north-northwest of Houston
Type of Power-generation	Gas combined cycle
Output Capacity	830,000kW (gas turbines x 3, steam turbines x 1)
Fuel	Natural gas
Name of the Company	Tenaska Frontier Partners, Ltd.
Power Purchaser and Term of Purchase Agreement	Power Purchaser: Exelon Generation Company, LLC Contract Period: 20 years
Operation and Maintenance Company	Tenaska Operation Inc.

<Outline of Tenaska Energy>

1. Name: Tenaska Energy
2. Headquarters: Omaha, Nebraska
3. Description: A major independent U.S. energy group established in 1987

<Outline of CES >

1. Name: CES Energy
2. Headquarters: New York, New York
3. Description: A Medium-sized U.S. IPP company established in 1988

<Outline of Diamond Generating>

1. Name: Diamond Generating
2. Headquarters: Los Angeles, California
3. Description: A subsidiary of Mitsubishi Corporation, which conducts Mitsubishi Corporation's power-generation business in North America

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J-POWER Overseas IPP Project List
(Projects in operation)

Country/Region	Project name	Generation form	Output (10,000kW)	J-POWER's share (%)
U.S.A.	Tenaska	Gas CCGT	83.0	62
Philippines	Leyte	Geothermal heat	4.9	10
	CBK	Hydroelectric power	72.8	50
China	Tianshi	Coal waste thermal power	5.0	24
Thailand	Roi-Et	Chaff	0.9	25
	Rayong	Gas CCGT	10.6	20
	Thaioil Power	Gas CCGT	11.4	19
		Gas thermal power	70.0	11
	Gulf	Gas CCGT	10.8	49
		Gas CCGT	11.2	49
Gas CCGT		11.5	49	
Taiwan	Chiahui	Gas CCGT	67.0	40
Spain	Spain wind power	Wind power	6.4	50
Total		13 projects	3,655,000kW	