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To Whom It May Concern

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J-POWER Highlights Strong Record of Returns and Strategy to Build Shareholder Value

- Response to The Children's Investment Master Fund -

The Board of Directors of Electric Power Development Co., Ltd (“J-POWER” or the “Company”) today sent a letter to The Children’s Investment Master Fund (“TCI”) giving a detailed review of the Company’s continuing success in enhancing shareholder value. It explains J-POWER’s strengthened capital structure and corporate governance, and underlines the rationale behind recent electricity rate cuts. The letter also sets out the current business strategy, which is based on long-term cycles of investment and return that are intrinsic to the power industry.

This letter was sent in response to earlier correspondence from TCI, which offered suggestions for making fundamental changes to the structure and strategy of the Company. TCI based much of its comment on issues such as ROE and ROA to include the years before the Company’s privatization, which creates a misleading impression of under-performance. As this letter demonstrates, much of TCI’s critique leading to those proposals was flawed and the Company has concluded, after thorough analysis, that TCI’s proposals, far from creating increased shareholder value, would seriously weaken the Company and reduce both its value and its ability to generate good returns for all shareholders in the future.

The Company also finds TCI’s sudden change in opinion surprising given the Fund’s June 2007 letter to shareholders, which stated, “...we strongly believe the Company and Japan’s power sector have achieved world-class operational success.” The Company appreciates TCI’s recognition of its operational and technological leadership, and describes in the letter how J-POWER plans to continue its strong performance amid a changing industry environment.

The Company always welcomes constructive dialogue with shareholders over performance and strategies to create value, but regrets that much of the debate with TCI, which has been held in public as well as in private, has been based on erroneous and misleading assessments. The Company welcomes the opportunity today to put the full facts into the public domain in order that it can continue to work to achieve the Company’s goals of building on its strengths and opportunities.