

December 10, 2001

J-Power/EPDC

EPDC Acquiring a Share in the Equity of Gulf Electric Public Company Limited of Thailand (IPP Business Holding Company)

J-Power/EPDC recently acquired shares in the equity of the Gulf Electric Public Company Limited (GEC), a holding company active in IPP business in Thailand.

In further detail, the entire stock equity (100 million shares, equity share: 50%) of the GEC owned by Lanna, a Thai company mainly engaged in resource development, was purchased by two companies: EPDC (Roughly 3.5 billion yen: 49%) and Mitsiam International Co., Ltd., an affiliate of Mitsui & Co., Ltd.(1%).

GEC was established as a holding company in Thailand in 1994 to engage in IPP business. GEC owns 100% equity in a gas co-generation company located in Kaeng Khoi area of Saraburi province, Thailand. (output capacity: 107MW; steam output: 32 tons/day, under commercial operation since September 1998).

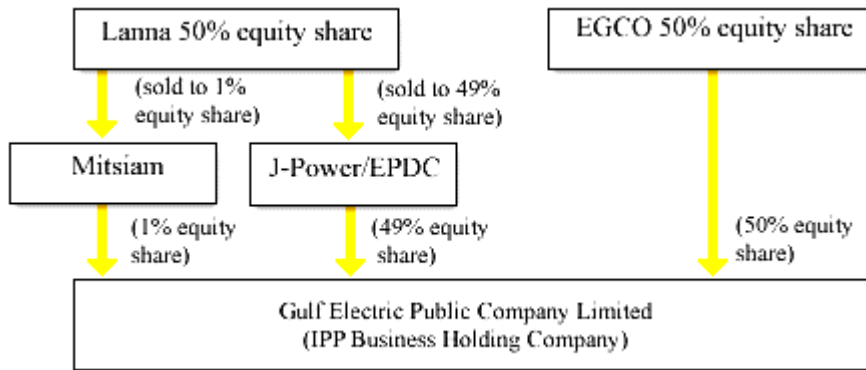
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GEC also has plans for the construction of an imported-coal fired thermal, biomass, and gas-fired thermal power facilities.

The objective that led to the acquisition of shares in GEC's equity was J-Power/EPDC's intention to enter the IPP business thereby J-Power/EPDC can obtain various merits (see the following as examples). J-Power/EPDC's investment decision was taken on the assessment that the acquisition of a part of the Gulf Electric's equity would result in its gaining:

- (1) a definite prospect of dividend earnings through IPP business from the gas co-generation facility which has already been successfully operating and the possibility of gaining technical know-how on generators built abroad and the operation and maintenance of the facilities.
- (2) an enhanced presence as an IPP operator in Thailand and Southeast Asia is prospected as it works in this field with Electricity Generating Public Company Limited (EGCO), seeing that EGCO welcomes J-Power/EPDC's move and expects J-Power/EPDC's expertises in the construction, operation and maintenance of large-scale power plants including thermal power stations.

J-Power/EPDC's decision to join the business means that this is its eighth overseas IPP venture (5 of which are already in operation, 2 under construction, and 1 being planned).



1. Profile of the Gulf Electric Public Company Limited

Name	Gulf Electric Public Company Limited
Location	Bangkok, Thailand (Established in 1994)
No. of Employees	Approx. 40
Capital	Authorized capital: 5,000M bat (Approx. 14 billion yen - At a parity of 1 baht = 2.8 yen) Paid-in capital: 2,000M bat (Approx. 5.6 billion yen - At a parity of 1 baht = 2.8 yen)
Equity distribution	EGCO (Electric Generating Public Company Limited): 50% (Thailand's biggest private power generating company) Mitsiam International Company Limited: 1% (An affiliate of Mitusi & Co., Ltd. - Thai entity) J-Power/EPDC: 49% * Of the total of 11 directors, five are appointed by EPDC (on a non-permanent basis)

2. Profile of the Gulf Cogeneration Company Ltd.

Name	Gulf Cogeneration Company Limited
Location	Bangkok, Thailand (Established in 1996)
No. of Employees	Approx. 40
Capital	Authorized capital: 850M bat (Approx. 2.4 billion yen - At a parity of 1 baht = 2.8 yen) Equity distribution Gulf Electric Public Company Limited: 100% * Of the total of five directors, one is appointed by J-Power (on a non-permanent basis)
Description of business	Owning, operating of gas co-generation plant and sale of electric power and steam

Profile of the Gas Co-generation Plant

Location	Kaeng Khoi area, Saraburi Province, Thailand
Type	Gas combined cycle generation
Output capacity	107,000kW of electric power and 32 tons/day of steam
Fuel	Natural gas (Supplied on the basis of a supply agreement signed with the Petroleum Authority of Thailand)
Scheme	BOO scheme (Build, Own and Operate)
Power/Steam sold to	EGAT (Electricity Generating Authority of Thailand): 90MW (21 year agreement) Companies in the Industrial area: 15MW and 16 ton/hour of steam
Operation & Maintenance	Self-managed
Total project costs	Approx. 3,400M bat (Roughly 9.5 billion yen - At a parity of 1 baht = 2.8 yen) Investment:25% Loan: 75%
Performance Status	Under commercial operation since September 1998

End of announcement