

June 20, 2002

Electric Power Development Co., Ltd.

Positive Commitment to Technology for Creating a Sound Marine Environment Based on the Use of Ashcrete (Solid Coal Ash) - Electric Power Development Co., Ltd., Hazama Corp. and Seibu Construction Co., Ltd. in the Process of Establishing a New Joint Venture -

Electric Power Development Co., Ltd. (J-POWER) (President: Yoshihiko Nakagaki), Hazama Corp. (Hazama) (President: Fumiya Yamato), and Seibu Construction Co., Ltd. (Seibu Construction) (President: Katsumi Kishida) have signed a basic memorandum of understanding for the joint establishment of a new company in an effort to diffuse and offer their technology for the creation of a sound marine environment, involving among other things the creation of manmade seabed ridges with the use of ashcrete (solid coal ash).

The new company is to provide the general engineering services for the construction of marine structures such as manmade seabed mountain ridges with the use of ashcrete and assume a leading role in the diffusion of the marine environment forming technology, the submission of proposals for the technology and the offering of technical guidance. In the initial stage, its activities will be limited to Japan for the time being.

The overview below gives a profile of the new company which is scheduled to be established in July after the full details of its operation have been finalized.

Profile of the New Company

Name:	Ashcrete Co., Ltd.
Capitalization fund:	4.2 million yen
Equity sharing:J-POWER:	20 million yen
Hazama:	20 million yen
Seibu Construction:	2 million yen
Candidate for the Appointment as President:	Tatsuo Suzuki (Manager of Environmental Business Planning Department, Technology and Environment Division, Hazama Corp.)

J-POWER is to offer its technical know-how in the coal ash utilization area to the new company while Hazama will transfer its exclusive rights for the practical use of its patents relating to ashcrete, a proprietary industrial byproduct recycling technology developed by Hazama over a long time. Seibu Construction, for its part, will participate in the establishment of the new company within the context of the mutual technical exchange arrangement with Hazama with which it entered a business tie-up last year.

Coal ash is generated at the coal-fired thermal power plants on a scale of close to 10 million tons a year. It is designated as an industrial byproduct, and in view of the large amounts available there is a strong demand for promoting its use and for measures to expand its use.

The Japanese Fisheries Agency is currently in the process of promoting a range of activities, including "Measures for the Development of Fishing Grounds Aimed at the Sustainable Use of Offshore Marine Resources" and "Measures for Improving the Eco-Environment of Fishing Resources such as Seaweed Grounds and Tidelands." These programs were initiated in fiscal 2001 as priority projects for the development of a fishery infrastructure.

J-POWER is Japan's major operator of coal-fired thermal power plants and has been engaged in a long-standing commitment to the development of a comprehensive range of technologies for the use of the coal ash generated as a byproduct from its power stations as well as the development of practical applications of these technologies. Hazama has established a process for the production of ashcrete making use of coal ash and also possesses the technical know-how for the utilization of this product.

Ashcrete proved its validity as a structural material in a pilot project for the formation of fishing grounds with manmade seabed mountain ridges. The project has been carried out by Marinoforum 21 since 1995. The positive results have earned its official recognition as one of the "Measures for the Development of Fishing Grounds Aimed at the Sustainable Use of Offshore Marine Resources." The product also holds promise of being effective in the creation of a marine environment based on the formation of shore reef ecosystems.

The new company will form the platform from which the three companies - J-POWER, Hazama, and Seibu Construction - stand firm in their commitment to offer marine environment forming techniques based on marine structures using ashcrete.

End of announcement