

September 30, 2002
Electric Power Development Co., Ltd.

Restructuring of Corporate Organization

In view of the imminent privatization of Electric Power Development Co., Ltd. in accordance with Cabinet Decision and in an attempt to ensure future business development after privatization, the Company has already announced its New Management Policy focusing on two major objectives: the reinforcement and consolidation of the organization's competitive strength in the wholesale electricity sector and the further expansion of international business and creation of new business. Pursuant to the policy statement, the company has already introduced an organizational structure based on divisions and an executive officer system in April.

With effect from October 1, the Company has been reorganized with the establishment of Business Planning Department and Corporate Planning & Administration Department, following the integration of Planning Department with the existing Office of Business Department Strategy. These changes are designed to strengthen the organization and fortify it for the challenges of new business areas. On the same day, another important reorganization was implemented by taking Shared Service Center out of the Planning Department and establishing it as an independent entity.

1. Establishment of Corporate Planning & Administration Department and Business Planning Department

In order to give Planning Department greater task-oriented flexibility in the execution of its activities, the business planning function has been taken out of the operational scope of Planning Department as a separate entity with the establishment of Business Planning Department by abolishing Office of Business Department Strategy and integrating its functions into the newly created Business Planning Department. These moves went hand in hand with the renaming of the existing Planning Department to Corporate Planning & Administration Department.

2. Establishment of Shared Service Center

With effect from April 1, Shared Service Center has been established within Planning Division in readiness for its independent service function. The Center has meanwhile completed its preparatory stage and is fully equipped to be taken out of the Division and start its new lease of life as an separate entity.

* Role of Shared Services

The administrative or "indirect" services (routine work) formerly carried out in a multiplicity of organizational units and the highly specialized service tasks such as accounting and auditing have been integrated into a shared service environment with a view to simplifying, standardizing and streamlining the work flow and achieving greater efficiency and sophistication in the execution of the work through system review.

Service sharing will first be introduced and put into operation for the settlement of accounts and delivery/acceptance tasks with effect from April. In October, service sharing will then be extended for full-scale operation to include labor and welfare services (wages/salaries, travel expense calculation, welfare procedures) as well as financial administration and secretarial services.

End of announcement