



April 3, 2003

Electric Power Development Co., Ltd.

Promoting Compliance Management (Compliance: Adherence to the law and the rules of corporate ethics)

As part of our ongoing commitment to the strengthening of our compliance management, we are in the process of implementing policies for the following compliance activities.

In recognition of the need for absolute consistency in the practice of compliance measures, we have established "J-POWER Corporate Action Standards" and made every effort to build awareness of this code of practice among our workforce by instruction and awareness raising. Similar efforts have been made by all members of our J-POWER Group which have established their own Corporate Action Standards as part of a group-wide commitment to promoting compliance.

The execution of these policies for compliance activities will be the platform on which we deploy our business activities with solid integrity and fairness and promote the soundness of our corporate management backed by the trust of society at large.

To this end, we have formulated more specific action criteria binding on each and all company employees to the inclusion of management. These criteria are set forth in our "Compliance Guidebook", a brochure featuring, among other things, our "Compliance Action Policy", our "Corporate Vision Statement" and our "Corporate Action Standards". In order to enlist a broader understanding we have distributed the guidebooks to all employees.

We have also established a Compliance Advice Counter in our Investigation Section for consultation in case any of our employees comes across any problem of compliance violation in the execution of his or her work activities. We are also appointing a group leader, whose responsibility will be to promote compliance within each group and reinforce compliance at the level of each group. The way in which problems of compliance violation will be dealt with is to appoint the Compliance Measures Committee across the organizational spectrum with the President at the top. Its function will be to clarify the state of affairs and investigate the causes of compliance violation. The Committee also has the role of reviewing the internal system and rules to prevent recurrences of compliance problems.

Every effort will be made to ensure proper information disclosure. To this end, internal training and seminar events with external lecturers will be held to build and raise awareness among our employees.

In addition, steps will be taken to activate and intensify communication within the company in an effort to create a "well-aired" corporate culture that favors and facilitates mutual exchange and understanding within the organization as a corporate way of life.

We are taking a lead in promoting compliance activities and our goal for the future is to extend our compliance efforts to all member companies of the J-POWER Group.

Overview of Our "Compliance Action Policy"

1. Basics

- 1) Adhering to practices determined by the laws and by internal rules
- 2) Acting in accordance with what society accepts as commonsense

2. Nature of Compliance

- 1) Relations with Society
 - a. Contribution to society
 - b. Adhering to the laws and to the principles of ethics; respecting the general culture and practice or customs
 - c. Proper information disclosure
 - d. Appropriate PR activities
 - e. Restrictions on contributions and fund donations to political parties
 - f. Severing all relations with anti-social elements
 - g. Conservation of the natural environment
 - h. Appropriate use of information systems
 - i. Protection of intellectual property rights
 - j. Strict abidance by the import and export laws and regulations
- 2) Relations with Customers, Suppliers, and Competitors
 - a. Energy supply security and product safety
 - b. Adherence to the Antimonopoly Act
 - c. Fair transactions with suppliers
 - d. Prevention of unfair competition
 - e. Entertaining and bribery
- 3) Relations with Shareholders and Investors
 - a. Disclosure of management information
 - b. Prohibition of insider trading
- 4) Relations with Government Authorities and Civil Servants
 - a. Proper approval and notification procedures
 - b. Entertaining of, and bribes to, civil servants
- 5) Relations with Employees
 - a. Respect for human rights and prohibition of discrimination
 - b. Sexual harassment

- c. Protection of privacy
- d. Safety and sanitation of the workplace
- e. Adherence to the Labor Law
- f. Adherence to the rules of employment
- g. Proper management of accounts and tax affairs
- h. Proper use of company assets

End of announcement