

Notice Concerning Issuance of New Shares, Disposition of Treasury Shares and Secondary Offering of Shares

February 17, 2015

Company name	Electric Power Development Co., Ltd. (J-POWER)		
Listings	The First Section of the Tokyo Stock Exchange		
Securities code	9513	URL	http://www.jpowers.co.jp/english
Representative	Masayoshi Kitamura, President		
Contact	Hideaki Kato, IR Chief Manager		
Telephone	+81-3-3546-2211		

Electric Power Development Co., Ltd (the “Company”) hereby announces that its Board of Directors resolved on February 17, 2015 to issue new shares, dispose of treasury shares and conduct a secondary offering of its shares as set forth below.

The circumstances surrounding energy and electricity supply changed dramatically following the nuclear disaster at the Fukushima Daiichi Nuclear Power Plant caused by the earthquake in eastern Japan in March 2011. In the “Strategic Energy Plan”, which was approved by the Japanese cabinet in April 2014, coal-fired thermal energy is considered to be an important base-load electricity source which can be operated stably and at low cost. The significance of coal-fired thermal energy is increasing as a fall in base-load supply is expected as the level of reliance on nuclear powered energy is decreasing.

In such an environment, the business opportunities are expanding for the J-POWER Group, which is a leader in coal-fired thermal power generation in Japan with cutting-edge coal-fired thermal power generation technology (clean coal technology). The Group is currently developing new projects such as the new No. 1 Unit of Takehara Thermal Power Plant (600MW in Hiroshima Prefecture), the Kashima Power project (640MW in Ibaraki Prefecture, a 50:50 joint venture with Nippon Steel & Sumitomo Metal Corporation), and renewable energy projects such as wind power and geothermal power.

This financing serves the purpose of progressing the above-mentioned and other projects of the J-POWER Group and the net proceeds will be applied in part towards capital investments in respect of these projects. We are also intending on investing in anticipated new business opportunities in Japan and overseas and working to put a

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framework in place that will enable J-POWER to successfully navigate the future competitive environment coming from electricity system reform by using this financing to increase our capital base and achieve greater flexibility for subsequent financings.

1. Issuance of new shares by way of public offering

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| (1) Class and Number of Shares to be Offered | 13,031,500 shares of common stock of the Company which are the sum of (i) and (ii) below.

(i) 12,181,500 new shares of common stock of the Company to be underwritten by an underwriting syndicate led by an underwriter designated as lead manager in the public offering (collectively, the “Underwriters”).

(ii) A maximum of 850,000 additional shares of common stock of the Company which may be purchased upon exercise of an option to purchase to be granted to the Underwriters in connection with sales to overseas investors as a part of the public offering. |
| (2) Method of Determination of the Amount to be Paid | The amount to be paid shall be determined on the date of determination of the issue price, etc. (which shall be a day falling in the period from Tuesday, March 3, 2015 to Thursday, March 5, 2015) (the “Pricing Date”) pursuant to Article 25 of the Regulations Concerning Underwriting, etc. of Securities provided by the Japan Securities Dealers Association (“JSDA”). |
| (3) Amount of Stated Capital and Additional Paid-in Capital to be Increased | The amount of stated capital to be increased shall be half of the maximum amount of stated capital to be increased, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations, with any fraction less than one yen resulting from the calculation being rounded up to the nearest yen. The amount of the additional paid-in capital to be increased shall be the amount obtained by subtracting the amount of stated capital to be increased from the maximum amount of stated capital to be increased. |
| (4) Method of Offering | The offering will be a public offering. All of the new shares shall be purchased for sale by the Underwriters.

The issue price with regard to the public offering (offer price) shall be determined based on the provisional range calculated by multiplying the closing price in regular trading of shares of common stock of the Company on the Tokyo Stock Exchange on the Pricing Date (or, if no closing price is quoted, the closing price of the immediately preceding date) by 0.90-1.00 (with any fraction less than one yen being rounded down), in accordance with Article 25 of the Regulations Concerning Underwriting, etc. of Securities provided by the JSDA, taking into |

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account market demand and other conditions.

A part of the shares may be sold to overseas investors in overseas markets such as Europe and Asia (but excluding the United States and Canada). In connection with such sales, the Company shall grant the Underwriters an option to purchase the additional shares mentioned in (1)(ii) above.

- (5) Consideration to be paid to the Underwriters The Company shall not pay any underwriting fees to the Underwriters. Instead, the aggregate amount of the difference between (a) the issue price with respect to the public offering (offer price) and (b) the amount to be paid to the Company by the Underwriters shall be retained by the Underwriters.
- (6) Subscription Period The subscription period shall be from the next business day after the Pricing Date to the second business day following the Pricing Date.
- (7) Payment Date The payment date shall be a day falling in the period from Tuesday, March 10, 2015 to Thursday, March 12, 2015; provided, however, that such day shall be the fifth business day following the Pricing Date.
- (8) Subscription Unit 100 shares
- (9) Mr. Masayoshi Kitamura, President of the Company has been authorized to determine the amount to be paid, the amounts of stated capital and additional paid-in capital to be increased, the issue price with respect to the public offering (offer price) and any other matters necessary for the issuance of new shares.
- (10) Each item above shall be subject to the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act of Japan.

2. Disposition of treasury shares by way of public offering

- (1) Class and Number of Shares to be Offered 16,518,500 shares of common stock of the Company
- (2) Method of Determination of the Amount to be Paid The amount to be paid shall be the same as the amount to be paid upon the issuance of new shares by way of public offering.
- (3) Method of Offering The offering will be a public offering. All of the shares shall be purchased for sale by the Underwriters.
- The disposition price (the offer price) shall be the same as the issue price (the offer price) with regard to the issuance of new shares by way of public offering.
- (4) Consideration to be paid to the Underwriters The Company shall not pay any underwriting fees to the Underwriters. Instead, the aggregate amount of the difference between (a) the disposition price in the disposition of treasury shares by way of public offering and (b) the amount to be paid to the Company by the Underwriters shall be retained by the Underwriters.

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- (5) Subscription Period The subscription period shall be the same as the subscription period with regard to the issuance of new shares by way of public offering.
- (6) Payment Date The payment date shall be the same as the payment date with regard to the issuance of new shares by way of public offering.
- (7) Subscription Unit 100 shares
- (8) Mr. Masayoshi Kitamura, President of the Company has been authorized to determine the amount to be paid, the disposition price (the offer price) and any other matters necessary for the disposition of treasury shares.
- (9) Each item above shall be subject to the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act of Japan.

3. Secondary Offering of Shares of the Company by way of Over Allotment (the “Secondary Offering”)
(See 1. of “For Reference” attached hereto)

- (1) Class and Number of Shares to be Sold 3,450,000 shares of common stock of the Company.
The number of shares set out above is the maximum number of shares which may be sold. The above number may decrease, or the Secondary Offering may be cancelled in its entirety, depending on market demand and other conditions. The number of shares to be sold shall be determined on the Pricing Date, taking into account market demand and other conditions in the issuance of new shares and the disposition of treasury shares by way of public offering (collectively “Public Offering”).
- (2) Seller The lead manager
- (3) Selling Price Undetermined. (The selling price shall be determined on the Pricing Date; provided, however, that such selling price shall be the same as the issue price (offer price) in the Public Offering.)
- (4) Method of secondary offering Taking into account market demand and other conditions for the Public Offering, the lead manager will undertake a secondary offering of shares of common stock of the Company (up to 3,450,000 shares) borrowed from certain shareholder(s) of the Company.
- (5) Subscription Period The subscription period shall be the same as the subscription period in respect of the Public Offering.
- (6) Delivery Date The delivery date shall be the next business day after the payment date in respect of the Public Offering.
- (7) Subscription Unit 100 shares
- (8) Mr. Masayoshi Kitamura, President of the Company has been authorized to determine the selling price and any other matters necessary for the secondary offering.

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- (9) Each item above shall be subject to the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act of Japan. In the event that the Public Offering is cancelled, the Secondary Offering will also be cancelled.

4. Issuance of New Shares by way of Third-Party Allotment (See 1. of “For Reference” attached hereto)

- (1) Class and Number of Shares to be Offered 3,450,000 shares of common stock of the Company.
- (2) Method of Determination for the Amount to be Paid The amount to be paid shall be determined on the Pricing Date; provided, however, that such amount to be paid shall be the same as the amount to be paid in respect of the public offering.
- (3) Amount of Stated Capital and Additional Paid-in Capital to be Increased The amount of stated capital to be increased shall be half of the maximum amount of stated capital to be increased, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations with any fraction less than one yen resulting from the calculation being rounded up to the nearest yen. The amount of the additional paid-in capital to be increased shall be the amount obtained by subtracting the amount of stated capital to be increased from the maximum amount of stated capital to be increased.
- (4) Allottee The lead manager
- (5) Subscription Period (Subscription Date) Monday, March 23, 2015
- (6) Payment Date Tuesday, March 24, 2015
- (7) Subscription Unit 100 shares
- (8) Shares not subscribed within the subscription period (subscription date) mentioned in (5) above shall not be issued.
- (9) Mr. Masayoshi Kitamura, President of the Company has been authorized to determine the amount to be paid, the amounts of stated capital and additional paid-in capital to be increased and any other matters necessary for the issuance of new shares by way of third-party allotment.
- (10) Each item above shall be subject to the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act of Japan.

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<For Reference>

1. Secondary Offering and other matters

The secondary offering described under “3. Secondary Offering of Shares of the Company by way of Over Allotment” above is a secondary offering, to be made in conjunction with the public offering described under “1. Issuance of new shares by way of public offering”, of shares of common stock of the Company in an amount not exceeding 3,450,000 shares, which will be borrowed by the lead manager of the public offering, from certain shareholder(s) of the Company, taking into account market demand and other conditions. It is estimated that the number of shares to be offered in the secondary offering will be 3,450,000 shares, which represents the maximum number of shares to be offered, and the number may decrease or the secondary offering may not be cancelled in its entirety, depending on market demand and other conditions.

In connection with the secondary offering, the board of directors of the Company resolved, at the meeting held on Tuesday, February 17, 2015, that the Company will issue 3,450,000 shares of common stock to the lead manager, the allottee, by way of the third-party allotment described under “4. Issuance of New Shares by way of Third-party Allotment”, with a payment date of Tuesday, March 24, 2015, for the purpose of enabling the lead manager to procure the shares necessary to return the shares borrowed from the Company’s shareholder(s) (the “Borrowed Shares”).

In addition, the lead manager may also purchase shares of common stock of the Company on the Tokyo Stock Exchange, up to the number of shares to be offered in the secondary offering (the “Syndicate Cover Transactions”) during the period from the day immediately following the last day of the subscription period of the public offering (and the secondary offering) to Tuesday, March 17, 2015 (the “Syndicate Cover Transaction Period”). All shares obtained by the lead manager through the Syndicate Cover Transactions will be apportioned for the return of the Borrowed Shares. However, during the Syndicate Cover Transaction Period, the lead manager, at its sole discretion, may not conduct any Syndicate Cover Transaction or may terminate the Syndicate Cover Transactions before the number of shares purchased reaches the number of shares offered in the secondary offering.

Furthermore, the lead manager may conduct stabilization transactions accompanying the public offering and the secondary offering, and some or all of the shares of common stock of the Company obtained by those stabilization transactions may be used to return the Borrowed Shares.

The lead manager plans to accept the allotment under the third-party allotment of an equivalent number of shares of common stock of the Company (the “Number of Shares to be Acquired”) obtained by deducting (a) the number of shares acquired through stabilization transactions and Syndicate Cover Transactions that are to be applied to return the Borrowed Shares from (b) the number of shares to be offered in the secondary offering. Accordingly, all or part of the shares to be issued under the third-party allotment may not be subscribed for, which may result in a decrease in the number of shares to be ultimately issued under the third-party allotment, or in the cancellation of the entire issuance due to forfeiture.

In the event that the lead manager accepts the allotment under the third-party allotment, it shall apply the funds obtained from the secondary offering to the payment for the Number of Shares to be Acquired.

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2. Use of Proceeds to be Raised

The proceeds are expected to be primarily applied towards capital investments for the construction of new thermal efficient power plants. Specifically, the proceeds will be used towards the construction of the No. 1 Unit of Takehara Thermal Power Plant and the U-Thai Thermal Power Plant in Thailand as well as the coal-fired thermal power plant by Kashima Power Co., Ltd. and the construction of a power generator to be used for the test demonstration for oxygen-blown integrated coal gasification combine cycle (IGCC) technology (Osaki CoolGen Corporation). In addition, the proceeds will be used towards the construction of wind power plants and geo-thermal energy power plants.

The remainder of the proceeds will be applied towards the renewal and improvement of power generating machinery in existing thermal energy power plants in Japan.

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