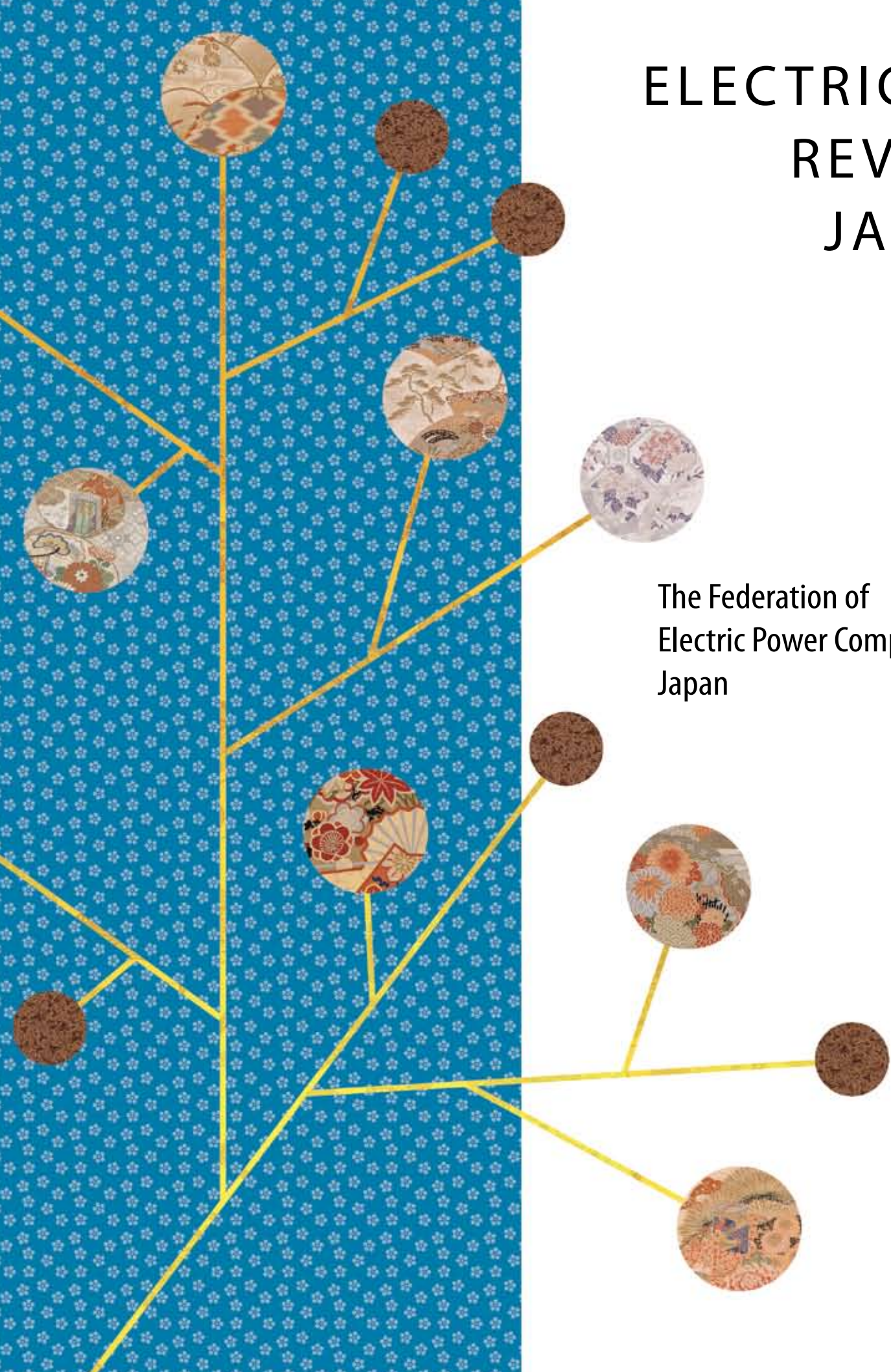


ELECTRICITY REVIEW JAPAN

2009

The Federation of Electric Power Companies of Japan

History of Japan's Electric Power Industry

Electricity was first used in Japan on March 25, 1878 at the Institute of Technology in Toranomon, Tokyo when an arc lamp was switched on in commemoration of the opening of the Central Telegraph Office. Eight years later in 1886, Tokyo Electric Lighting commenced operations as the nation's first electric power company, and began supplying electricity to the public in the following year.

In the early days, electricity was used primarily for lighting and gradually found broader applications as a power source. By 1896, the number of electric utilities established throughout the nation reached a total of 33, and the number of electric lights with a power supply increased to 120,000.

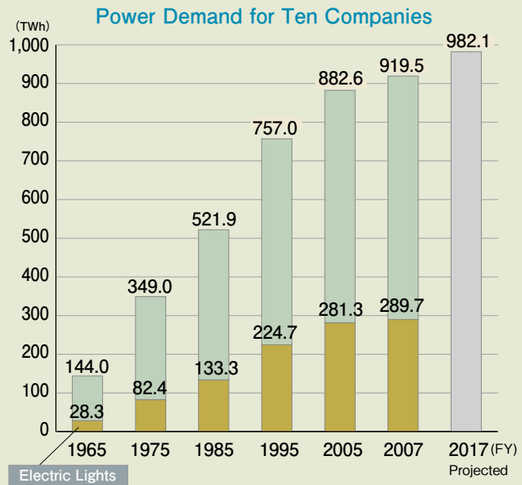
The early 20th century marked the establishment of long-distance transmission technology. As larger power plants were introduced, generation costs fell and electric lights came into wider use throughout the country. Consequently, electricity became an indispensable power source for industry as well.

In the years that followed, the electric power industry grew in tandem with the modernization and development of Japan's industry. At the same time, the industry experienced a major restructuring that led to the dissolution of 700 electric utilities, which merged to create five major electric utilities after the First World War. During the Second World War, the electric power industry was completely state-controlled and utilities were integrated into Nihon Hatsusoden Co. (a nationwide power generating and transmitting company) and nine distribution companies.

By the end of the war in 1945, Japan's electric power facilities had been destroyed by bombing during the conflict or had deteriorated from overuse. While restructuring of the industry was being discussed, the Korean War broke out in 1950. The resulting war boom allowed utilities to recover rapidly, and as a result, nine regional private electric power companies (Hokkaido, Tohoku, Tokyo, Chubu, Hokuriku, Kansai, Chugoku, Shikoku and Kyushu) were established in 1951. This structure remains to this day, and with the return of Okinawa to Japan in 1972, Okinawa Electric Power Co. joined as a tenth member.

In March 2000, partial liberalization of power retail supply for extra-high voltage users started. The Electricity Industry Committee (an Advisory Committee for Natural Resources and Energy, a consultative body to the Minister of Economy, Trade and Industry) verified the current scheme and discussed how the electric power industry should operate in the future. In conclusion, the committee proposed the establishment of a Japanese model of liberalization, which is based on fair competition and transparency while maintaining a vertical integration of generation, transmission, and distribution in the light of a stable supply of electricity. As a result, the revised Electricity Utilities Industry Law was promulgated in June 2003 and the scope of liberalization was expanded twice, once in April 2004 and again in April 2005.

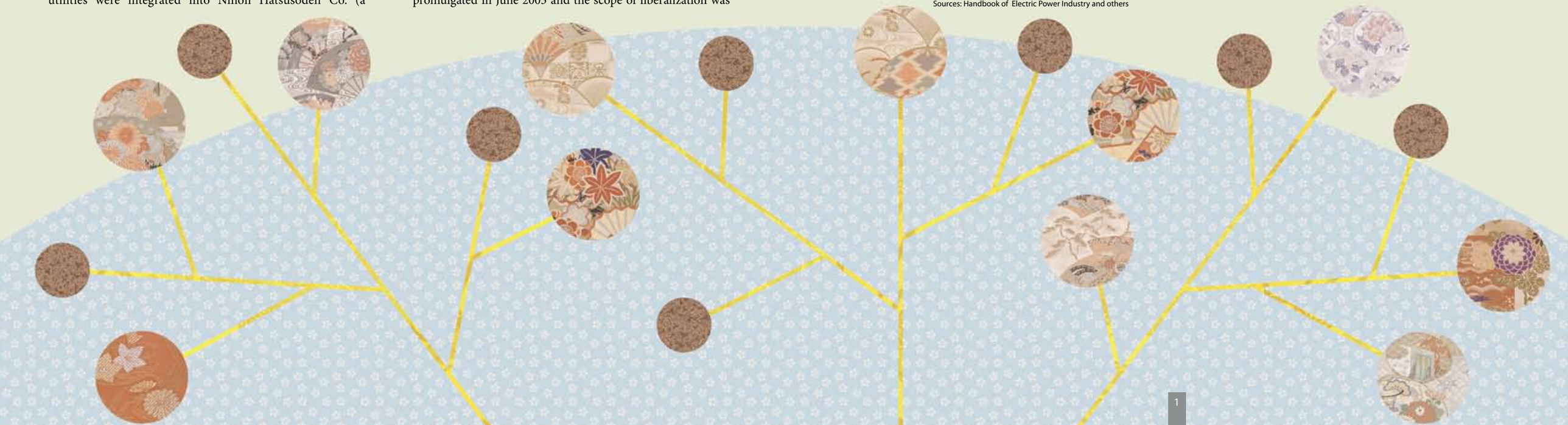
Today, the ten electric power companies that make up the membership of the Federation of Electric Power Companies (FEPC) provide reliable electricity supplies to the entire nation. As in the past, the industry continues to grow and change, with issues such as environmental preservation and market liberalization.



Note: Data in 1965 is based on nine companies.
Sources: Handbook of Electric Power Industry and others

C O N T E N T S

Note:
Nine Companies include Hokkaido, Tohoku, Tokyo, Chubu, Hokuriku, Kansai, Chugoku, Shikoku and Kyushu.
Ten Companies include the above Nine Companies plus Okinawa.

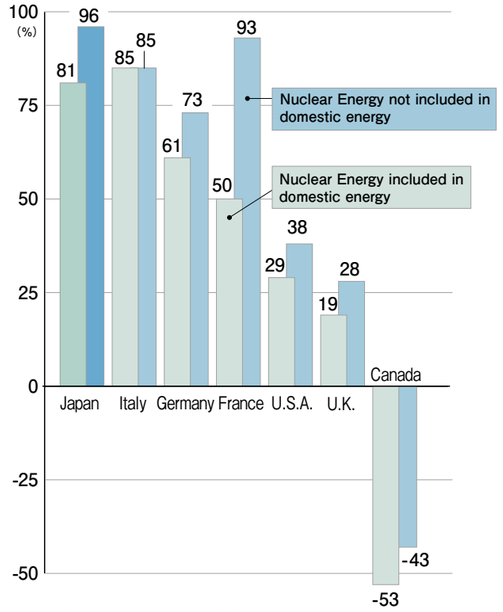


Japan's Vulnerable Energy Supply Situation

Resource-poor Japan is dependent on imports for 96% of its primary energy supply; even if nuclear energy is included in domestic energy, dependency is still at 81%. Thus, Japan's energy supply structure is extremely vulnerable. Following the two oil crises in the 1970s, Japan has diversified its energy sources through increased use of nuclear energy, natural gas and coal, as well as the promotion of energy efficiency and conservation. Despite these improvements, oil still accounts for about 50% of Japan's primary energy supply, and nearly 90% of imported oil comes from the politically unstable Middle East. Moreover, prospects for importing electricity from neighboring countries are very poor because Japan is an island nation. Finally, there are growing concerns about environmental problems due to energy use and the need to reduce carbon dioxide emissions to cope with global warming. Therefore, Japan's energy situation forces the country to focus on the two prime concerns of energy security and environmental preservation.

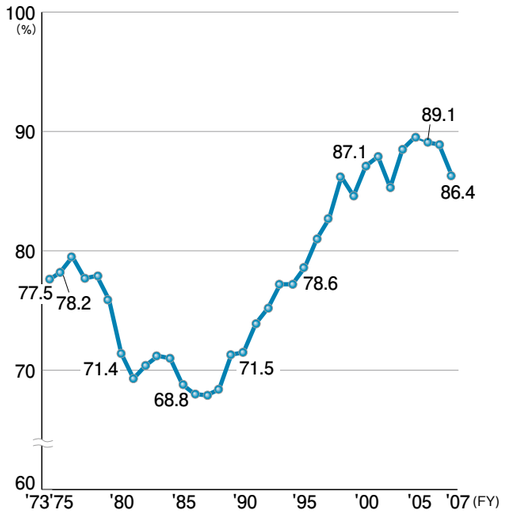
Construction of LNG Terminal and Storage Facilities

Dependence on Imported Energy Sources by Major Countries (2006)



Source: IEA "Energy Balances of OECD Countries 2008 Edition"

Japan's Reliance on Middle East Crude Oil of Total Imports



Source: Petroleum Association of Japan

Japan's Energy Policy

On the basis of Japan's energy situation, the Basic Law on Energy Policy Making was promulgated by the national government in June 2002. The law has three overarching objectives on energy supply and demand:

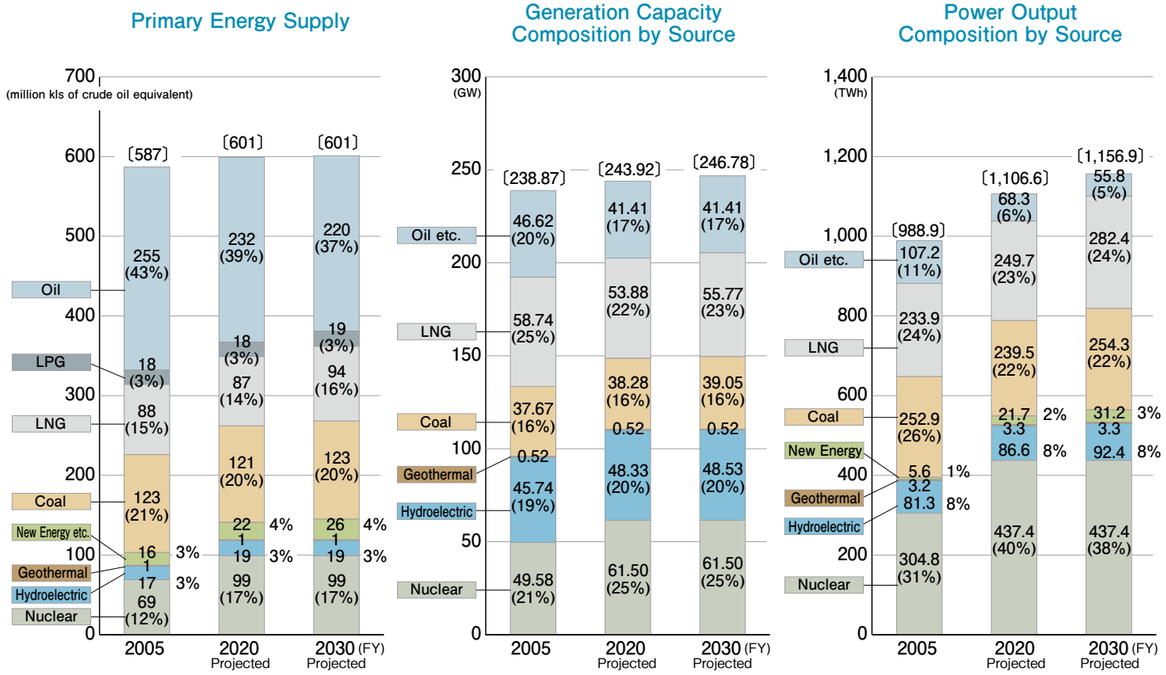
1) Securing a stable supply,
2) Ensuring environmental compatibility,
3) Increasing the role of market principles, which should be coordinated with the first two objectives.

In response to the changes of domestic and international energy market environment, METI drafted the New National Energy Strategy in May 2006. This presents Japan's long-term energy strategy centering on the reinforcement of energy security and stipulates numerical targets. Regarding nuclear energy, the goal is to maintain the share of power output from nuclear energy at the level at least 30% – 40% by 2030 and thereafter.

In May 2008, the Energy Supply and Demand Subcommittee of the Advisory Committee for Natural Resources and Energy to the Minister of Economy, Trade and Industry (METI) announced the Long-term Energy Supply and Demand Outlook. It sets the numerical targets of the New National Energy Strategy as a benchmark and considers an appropriate energy supply and demand structure for Japan in the future. The outlook provides three model cases based on the extent of development and introduction of energy technologies: Current Status Case, Continuous Effort Case, and Maximum Introduction Case. Among the three, the Continuous Effort Case* is considered to be the closest to the demand outlook for electric power companies in the Long-term Electric Power Facilities Development Plan (see page 6).

* The case assumes continuous efforts will be made to improve the efficiency of equipment and facilities as an extension of existing technologies, and that such equipment and facilities will replace end-of-life equipment and facilities.

Long-term Energy Supply and Demand Outlook (May 2008) -Continuous Effort Case-

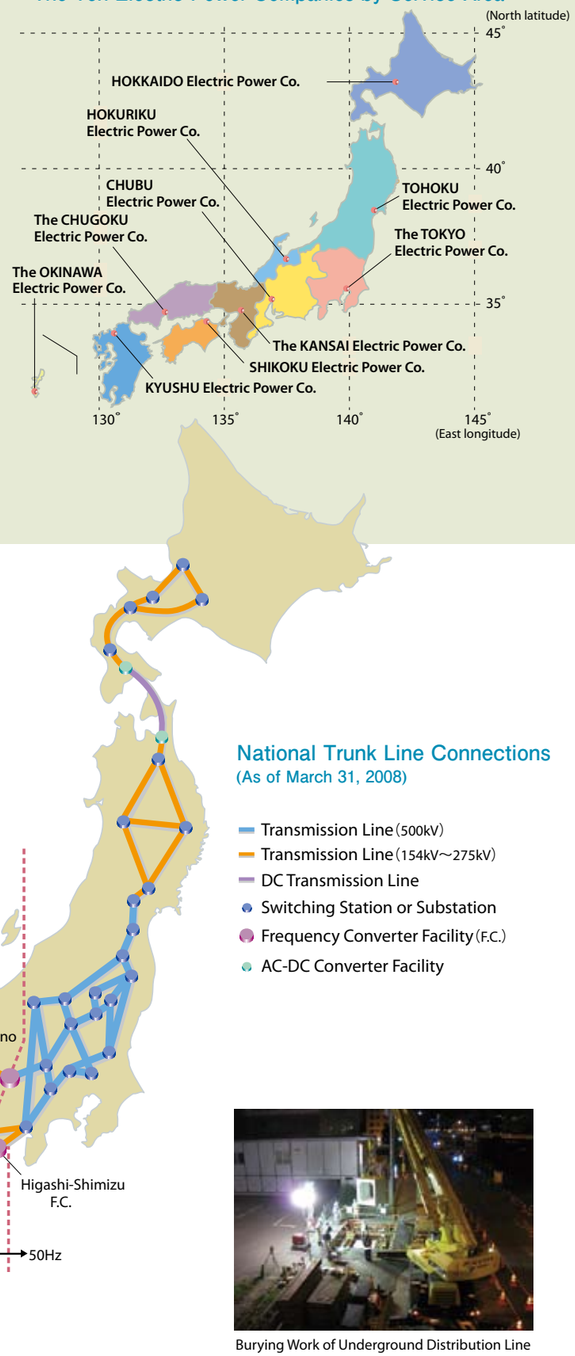


Note: Figures may not add up to the totals due to rounding.
Source: The Energy Supply and Demand Subcommittee of the Adcisory Committee for Natural Resources and Energy

Ten Electric Power Company Structure

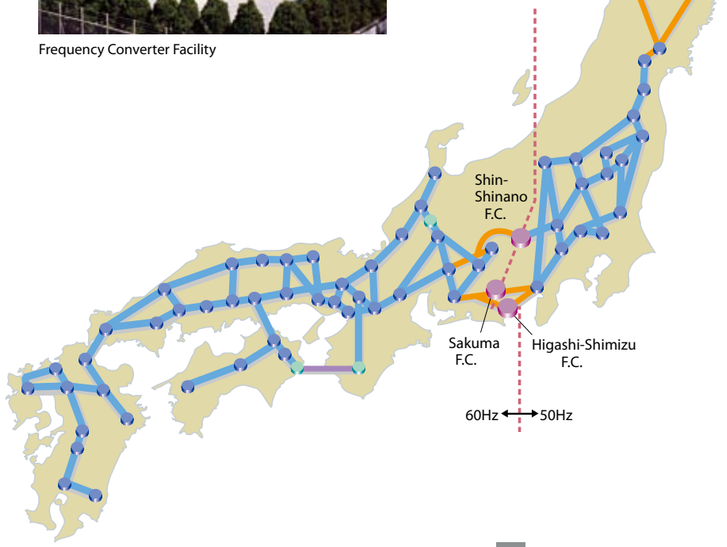
The ten privately-owned regional electric power companies in Japan are responsible for providing local operations from power generation to distribution and supplying electricity to their respective service areas. In addition, the ten electric power companies cooperate with each other to ensure a stable supply to customers nationwide. For example, the electric power companies work together to exchange or provide electricity in order to cope with emergency situations resulting from accidents, breakdowns, or summer peak demand. To ensure the smooth operation of power exchange, extra-high voltage transmission lines link the entire country from Hokkaido in the north to Kyushu in the south.

The Ten Electric Power Companies by Service Area




Frequency Converter Facility

National Trunk Line Connections
(As of March 31, 2008)



- Transmission Line (500kV)
- Transmission Line (154kV~275kV)
- DC Transmission Line
- Switching Station or Substation
- Frequency Converter Facility (F.C.)
- AC-DC Converter Facility

Burying Work of Underground Distribution Line

Fair Competition and Transparency

The electric power market in Japan is gradually being liberalized, while the existing regional ten electric power companies, as “responsible entities,” continue to handle their overall operations of generation, transmission, and distribution to ensure the stable supply of electricity.

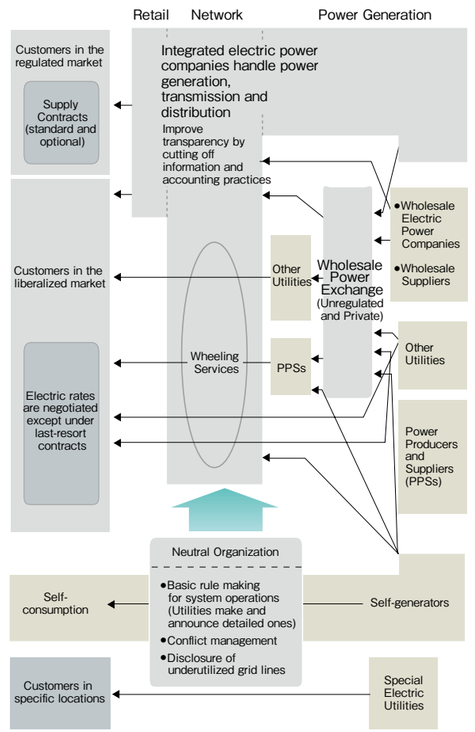
Japan has chosen to liberalize the electric power market in stages. In March 2000, the retail market was partially liberalized to allow power producers and suppliers (PPSs) to sell electricity to extra-high voltage users whose demand is approximately over 2MW. From April 2005, the scope of liberalization was expanded to all high-voltage users whose demand exceeds approximately 50kW. All customers in the regulated market continue to receive electricity supplied by each regional electric power company that is responsible for supplying electricity within its designated service area.

From April 2007, the pros and cons of total electric power liberalization were studied by the Electricity Industry Committee (an Advisory Committee for Natural Resources and Energy, a consultative body of the Ministry of Economy, Trade and Industry). In March 2008, the Committee concluded that total liberalization was unlikely to benefit customers under the present situation, and so the idea of expanding the scope of liberalization was abandoned at the time and would be subjected to future reviews after a certain period (approximately five years).

To ensure fair and transparent operations of electric power transmission and distribution, the Electric Power System Council of Japan (ESCJ) was established as a rule-maker and supervisor and started full-scale operation on April 1, 2005. In addition, Japan Electric Power Exchange (JEPX), which is formed by electric power companies, PPSs and self-generators, was established in November 2003 and started business on April 1, 2005.

* In Okinawa, the scope of market liberalization is different.

The New Electricity Supply System (from April 2005)



Column

Establishment of Electric Power System Council of Japan

In February 2004, the Electric Power System Council of Japan (ESCJ) was established in order to ensure fairness and transparency in transmission and distribution segments in which electric utilities own and operate the systems. The Council started to support power transmission and distribution from April 2005, aiming to formulate basic rules on power systems as well as to implement market oversight and dispute settlement functions.

Establishment of Japan Electric Power Exchange

In November 2003, a private non-profit organization, Japan Electric Power Exchange (JEPX), was established through investments by the participants including electric power companies, new entrants (power providers and suppliers) and non-utility generators, to provide electric power in both spot and forward trading. JEPX started operation on April 1, 2005, and aims to promote competition and revitalize the distribution of electricity nationwide.

Electric Power Development Plan

Electric power companies are steadily promoting the diversification of power sources for long-term stable supply, taking into consideration the high dependence on imported energy sources, the outlook for supply and demand, as well as environmental issues.

Electricity demand will be increasing annually by 0.9% on average up to fiscal 2017 with peak demand increasing every August by 0.8%.

By fiscal 2017, electric power companies will develop power generation facilities with a total capacity of 29.83GW, 41% (12.26GW) of which will be accounted for by nuclear power.

Demand Outlook

	FY2006 (Results)	FY2007 (Results)	FY2008 (Plan)	FY2012 (Plan)	FY2017 (Plan)	Annual Growth(%) 2006-2017
Electricity Demand (TWh)	(890.6) 889.4	919.5	916.5	943.8	982.1	(0.9) 0.9
Peak Demand (GW)	(171.5) 170.2	175.7	175.6	179.5	186.2	(0.7) 0.8
Annual Load Factor (%)	(62.5) 62.9	62.8	62.9	63.4	63.6	

Note: Figures in parentheses are adjusted temperature and leap-year variations.

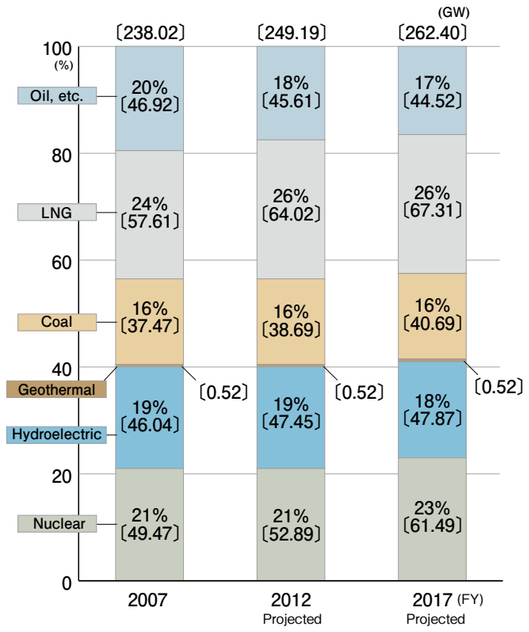
Electric Power Development Capacity

	FY2008-FY2017		Breakdown	
	GW	%	FY2008-FY2012	FY2013-FY2017
Nuclear	12.26	41	3.67	8.59
Hydro	1.88	6	1.43	0.45
Conventional	0.31	1	0.06	0.25
Pumped-storage	1.57	5	1.37	0.20
Thermal	15.69	53	10.14	5.54
Coal	3.50	12	1.50	2.00
LNG	11.90	40	8.61	3.29
Geothermal	—	—	—	—
Oil, etc.	0.29	1	0.04	0.25
Total	**29.83**	**100.0**	**15.24**	**14.59**

Note: Figures may not add up to totals due to rounding.
Source: Long-Term Electric Power Facilities Development Plan

Generation Capacity Composition by Energy Source

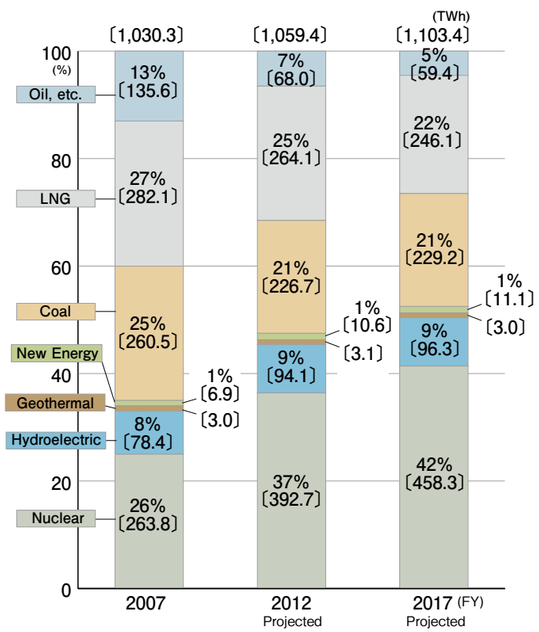
(For Ten Companies, Wholesale Electric Power Companies, Wholesale Suppliers and Others)



Note: Figures may not add up to totals due to rounding.
Sources: Long-Term Electric Power Facilities Development Plan and others

Power Output Composition by Energy Source

(For Ten Companies, Wholesale Electric Power Companies, Wholesale Suppliers and Others)



Note: Figures may not add up to totals due to rounding.
Sources: Long-Term Electric Power Facilities Development Plan and others

Optimal Combination of Power Sources

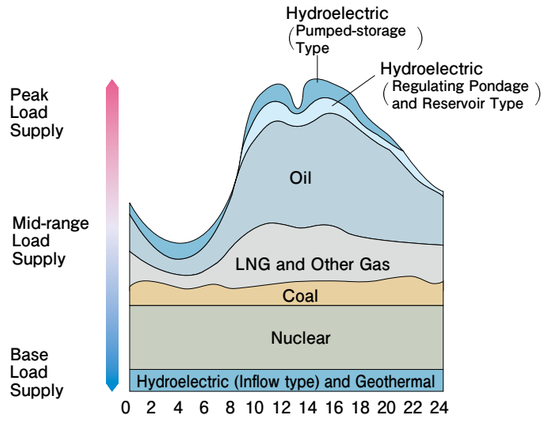
Due to the nature of supplying electric power — a commodity that is nearly impossible to store — electric power companies generate electricity by combining various power sources based on optimal operational and economic performances to ensure that the fluctuating demand can always be met.

Nuclear power generation is the key base-load power source and will continue to play an important role in contributing to stable supply and help to deal with global environmental issues. Hydroelectric and geothermal power generation, which have excellent environmental characteristics, will be developed considering environmental impacts as well as reduction in development costs.

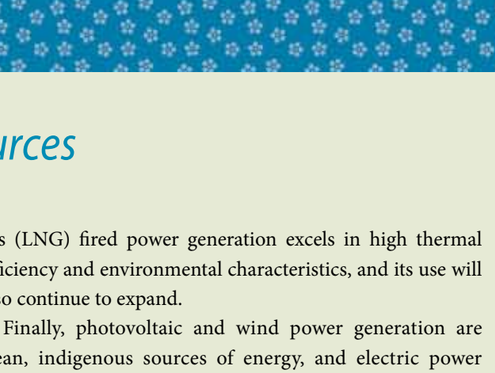
Coal-fired power generation excels in stable base-load supply and economic performance, and so electric power companies will develop it while improving thermal efficiency and considering environmental impacts. Liquefied natural gas (LNG) fired power generation excels in high thermal efficiency and environmental characteristics, and its use will also continue to expand.

Finally, photovoltaic and wind power generation are clean, indigenous sources of energy, and electric power companies will cooperate with the national government to attain the goal for new energy utilization.

(Example) Combination of Power Sources



Hydroelectric and nuclear power provides base load supply, while coal and LNG are major power sources for mid-range load supply. Oil-fired and pumped-storage hydroelectric power respond to peak demand fluctuation and contribute to consistent stable supply of electricity.



Recovery Operations from Heavy Snow Damage

Laying Operation of Submarine Cable

Profile of Japan's Major Power Generation Sources

Hydroelectric Power

Hydroelectric power is one of the few self-sufficient energy resources in resource-poor Japan. Hydroelectric power is an excellent source in terms of stable supply and generation cost over the long term. Hydroelectric power saw a rebirth in development following the oil crises of the 1970s. Although steady development of hydroelectric power plants is desired, Japan has used nearly all available sites for the construction of large-scale hydroelectric facilities, and so recent developments have been on a smaller scale.

As the gap in demand between daytime and nighttime continues to grow, electric power companies are also developing pumped-storage power generation plants to meet peak demand. The share of pumped-storage generation facilities of the total hydroelectric power capacity in Japan is growing year by year.

Thermal Power

Initially, coal was the dominant fuel for thermal power generation in Japan, but it later lost that place to oil. Today, a diverse range of fuels including coal, oil, and LNG are used for the important generating role that thermal power plants play. In particular, in response to global environmental concerns, electric power companies are promoting the introduction of LNG fired plants, as they emit less CO_2 and other pollutants.

To enhance thermal efficiency further, combined-cycle generating plants with both gas and steam turbines have been installed. As a result, gross thermal efficiency (maximum designed value) has exceeded 50%. In the future, we will continue to research and develop new technologies in order to increase thermal efficiency as well as the use of integrated coal gasification combined cycle (IGCC) power generation.

Nuclear Power

Japan's first commercial nuclear power plant started operation in Ibaraki Prefecture in 1966. As of the end of January 2009, Japan has fifty-three reactors operating around the country, usually accounting for around one-third of the country's total electric power output. By fiscal 2017, the nuclear output share is expected to reach 42 percent. Currently, there are three plants under construction, as well as another ten that are in the advanced planning stages.

While placing the highest priority on nuclear safety and public trust, Japanese electric power companies will continue to develop nuclear power generation as a base-load power source that plays an important role in Japan's electric power supply in order to secure a steady supply of electricity and address global environmental issues.

Nuclear power makes a great contribution to energy security for resource-poor Japan by reducing the energy-equivalent of approximately 440 million barrels of oil per year, which corresponds to about 20 percent of total annual crude imports. In addition, nuclear power generation does not emit carbon dioxide (CO_2), thus mitigating growing concerns about global warming. In FY2007, nuclear power generation had the net effect of reducing Japan's total CO_2 emissions by about 14%. For these reasons, nuclear power is expected to play a major role as a central power source in the years to come.

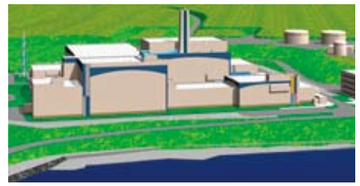
Column

Advancement of MOX Fuel Use in Thermal Reactors

As of the end of January 2009, three electric power companies (Kyushu, Shikoku, and Chubu) have completed the fabrication of MOX fuel (a mixture of uranium and plutonium oxides, see page 10) in France while Kansai Electric Power has just started. Those MOX fuels will be transported to Japan and loaded at an appropriate time. Other electric power companies have been preparing to steadily introduce MOX fuel in thermal reactors, including acquiring government approval, submitting proposals to host municipalities.

World's First Full-MOX Nuclear Power Plant

On April 23, 2008, METI permitted Electric Power Development Co. Ltd. (EPDC) to construct the Ohma Nuclear Power Plant (ABWR, 1383MW) in the town of Ohma in Aomori Prefecture. This marks the first construction of a nuclear power plant at a new site in Japan in a decade. Ohma Nuclear Power Plant is the world's first full-MOX nuclear power plant; it is designed to use MOX fuel in the entire core, thus playing a pivotal role in enhancing the flexibility of Japan's MOX fuel utilization program. EPDC plans to start operations in November 2014.



Ohma Nuclear Power Plant (Conceptual Drawing)

Okumino Hydroelectric Power Plant (Pumped-storage)

Noshiro Thermal Power Plant (Coal-fired)

Shimane Nuclear Power Plant (Unit No.3, ABWR, Under Construction)

Arimine Daiichi Hydroelectric Power Plant

Nanko Thermal Power Plant (LNG-fired)

Genkai Nuclear Power Plant (PWR)

Japan's Nuclear Fuel Cycle

Japan has adopted a closed nuclear fuel cycle policy. Because Japan lacks sufficient natural resources, it has decided to recycle spent nuclear fuel domestically in order to establish nuclear power as a homegrown energy source. The benefits of a closed nuclear fuel cycle for Japan are clear: it adds to long-term energy security by reducing dependence on imported fuels; it conserves uranium resources; and it reduces the amount of high-level radioactive waste that must be disposed of.

Reprocessing is a chemical process that recovers plutonium and reusable uranium from spent fuel and separates radioactive wastes into more manageable forms. Once recovered, the plutonium is ready to be re-introduced into the nuclear power plants in the form known as uranium-plutonium mixed oxide (MOX) fuel. Japan's electric power companies remain committed to a plan to utilize recovered plutonium – in the form of MOX fuel – in 16 to 18 nuclear reactors by fiscal 2015 at the latest.

In the past, Japan has relied on countries such as the U.K. and France to reprocess most of the spent fuel it produced. However, to place Japan's domestic nuclear fuel cycle on a firmer footing, Japan Nuclear Fuel Limited (JNFL) is preparing to start the commercial operation of a reprocessing plant in 2009 at a site in Rokkasho-mura in the northern prefecture of Aomori. In addition, JNFL engages in uranium enrichment, temporary storage of vitrified waste, and disposal of low-level radioactive waste. JNFL also has plans to construct a MOX fuel fabrication plant.

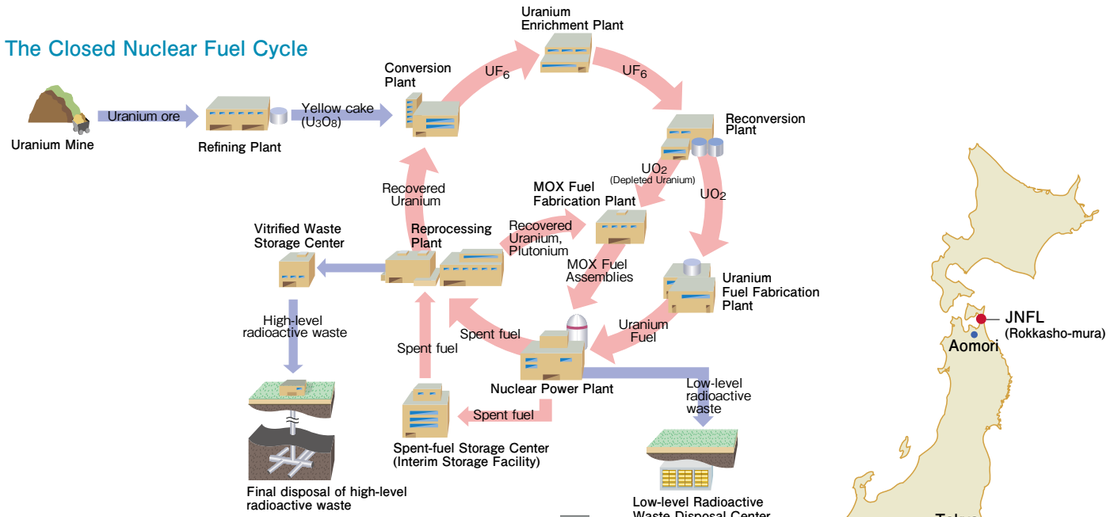
Outline of JNFL's Nuclear Fuel Cycle Facilities (as of July 31, 2009)

Facility	Reprocessing Plant	MOX fuel fabrication plant	Vitrified waste storage center	Uranium enrichment plant	Low-level radioactive waste disposal center
Site	Iyasakatai, Rokkasho-mura, Kamikita-gun, Aomori Prefecture			Oishitai, Rokkasho-mura, Kamikita-gun, Aomori Prefecture	
Capacity	Maximum capacity: 800 ton-U/year Storage capacity for spent fuel: 3,000 ton-U	Maximum capacity: 130 ton-HM/year (*)	Storage capacity for wastes returned from overseas plants: 1,440 canisters of vitrified waste Planned to be expanded to 2,880 canisters	1,050 ton-SWU/year (*) Planned to be expanded to a maximum capacity of 1,500 ton-SWU/year	Authorized capacity: 200,000m³ (equivalent to 1 million 200 litter drums) Planned to be expanded to 600,000m³ (equivalent to 3 million 200 liter drums)
Current Status	Under construction	Applying for a business license	Cumulative number of stored canisters: 1,310	Present capacity: 150 ton-SWU/year	Cumulative number of stored drums: 204,699
Construction Cost	about 2,193 billion yen	about 190 billion yen	about 80 billion yen(**)	about 250 billion yen	about 160 billion yen(***)
Schedule	Start of construction: 1993 Start of operation: 2009(planned)	Start of operation: 2015(planned)	Start of construction: 1992 Start of storage: 1995	Start of construction: 1988 Start of operation: 1992	Start of construction: 1990 Start of operation: 1992

(*) "ton-HM" stands for "tons of heavy metal" which indicates the weight of plutonium and uranium metallic content in MOX. "SWU" stands for "Separative Work Unit" which is a measure of the work expended during an enrichment process of uranium
(**) Construction expense regarding 1,440 canisters of vitrified waste.
(***)Construction expense regarding 200,000 m³ low-level radioactive waste (equivalent to 1 million of 200 liter drums)

Sources: JNFL's website and others

The Closed Nuclear Fuel Cycle



The Peaceful Use of Nuclear Energy

Japan's electric power companies are fully committed to implementing the closed nuclear fuel cycle and plutonium utilization program consistent with all domestic laws and international nonproliferation standards. Since 1955, the domestic laws of Japan require that all nuclear activities, including commercial activities, be conducted only for peaceful purposes. Also, since 1968, Japan has embraced the "Three Non-Nuclear Principles," which state that Japan will not possess, produce, or permit the entry of nuclear weapons into its territory.

In addition, in 1976, the Government of Japan ratified the Nuclear Non-Proliferation Treaty (NPT) and thereby obligated itself to a national policy not to produce or acquire nuclear weapons. In order to ensure the application of more extensive safeguards, Japan signed the IAEA Additional Protocol in 1998, which allows the IAEA to carry out a range of additional inspection measures. In accordance with national laws, Japan's electric power companies submit reports on material accounting and safeguards activities to the Minister of Education, Culture, Sports, Science and Technology, and accept joint inspections by the IAEA and Japanese regulatory authorities to check the reports.

The results of each of these Japanese initiatives were reflected in the IAEA's conclusion in June 2004, which stated that all the nuclear materials in Japan are protected under IAEA safeguards and are not being diverted to the manufacture of nuclear weapons. As a result, more effective and efficient IAEA safeguards known as integrated safeguards commenced in Japan in September 2004.

JNFL's Reprocessing Plant

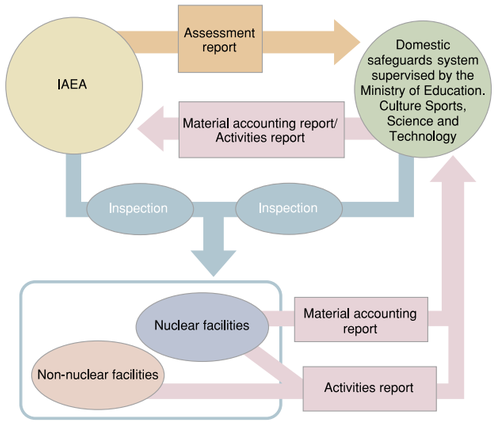
Central Control Room of Reprocessing Plant

Column

Start of the "Active Test" and the Recovery of MOX Powder at Rokkasho Reprocessing Plant

On March 31, 2006, JNFL started the final-stage testing, called the "Active Test", at Rokkasho Reprocessing Plant. The Active Test processes real spent fuel and validates the plant's safety features and the performance of equipment and facilities before the start of commercial operations. On November 16, 2006, JNFL successfully recovered MOX powder through the testing. The most remarkable feature of the manufacturing technology at the Rokkasho plant is called co-denitration. The process, developed in Japan, does not yield pure plutonium, but produces MOX powder, which deters proliferation and will be fabricated into MOX fuel for reactors.

The Safeguards Program



Measures by the Electric Power Industry to Suppress CO_2 Emissions

The compatibility between stable electric power supply and environmental preservation is one of the most important challenges for the electric power industry. In particular, emissions of carbon dioxide (CO_2), a major cause of global warming, are closely related to energy utilization in economic activities and daily life, and so the reduction of CO_2 emissions is a major challenge for the electric power industry. Recognizing that comprehensive measures against global warming are required, electric power companies are making corresponding efforts at both the supply and demand sides of electricity, and are pursuing various projects for R&D and international cooperation.

The electric power industry is striving to achieve the target of decreasing the CO_2 emissions intensity (emissions per unit of user end electricity), averaged over the five fiscal years of 2008 through 2012, by approximately 20% from the level recorded in FY1990.

In May 2008, FEPC drew up "Efforts of the Electric Power Companies of Japan to Create a Low Carbon Society" which outlines plans to achieve the goals set forth in the Kyoto Protocol and to create a low carbon society in the post-Kyoto period. The electric power companies of Japan seek to increase the share of non-fossil energy (including hydro and renewables) from the present level of about 40% to 50% by fiscal 2020 based mainly on nuclear power.

Summary of CO_2 Emissions Suppression Measures

Supply-side

- **Expanding use of non-fossil energy sources**
  - Promotion of nuclear power generation based on the premise of safety assurance and restoring confidence
  - Development and expansion of use of renewable energy sources
    Hydroelectric, geothermal, solar, wind, and biomass power generation
- **Improving efficiency of electric power equipment**
  - Further improvement of thermal efficiency of thermal power plants
    Introduction of LNG combined-cycle power plant and development of high thermal efficiency in coal-fired power plant
  - Reduction of transmission and distribution loss
    High-voltage transmission, low-loss transformers
- **International efforts**
  - Active utilization of the Kyoto Mechanisms
    Active utilization of the Clean Development Mechanisms & investment in Carbon Funds
  - Sectoral approaches
    Participation in the Asia-Pacific Partnership [APP] (Peer Review Activities, etc)

Demand-side

- **Energy conservation**
  - Electrification promotion and application of high efficiency and energy conservation
    Heat pumps, heat storage air conditioning, electric vehicles, and others
  - Utilization of untapped energy sources
    Heat recovery from river water, waste incineration facilities and substations, geothermal
  - PR-activities and provision of information aimed at energy conservation and CO_2 reduction
    Household eco-account book, exhibitions on energy-saving appliances and seminars on energy-saving
- **Load leveling**
  - Promotion of load-level management through the use of regenerative heat
    Heat storage air conditioning
- **Efforts by electric utility industry as users**
  - Efforts in office-use energy conservation and the use of company-owned vehicles
    Reducing frequency of using elevators, introduction of electric vehicles and fuel-efficient vehicles

Research and Development

- Supply-side: Clean coal technology, CO_2 capture and storage technologies
- Demand-side: CO_2 refrigerant heat pump hot water heater, electric vehicles, and others

Expanding the Share of Nuclear Power and LNG-fired Thermal Power

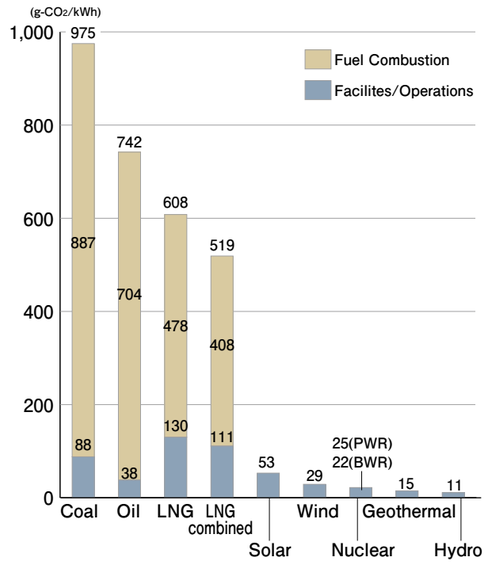
Electric power companies have been promoting nuclear power that emits no carbon dioxide (CO_2) in the process of power generation. Considering CO_2 emissions intensity over the entire life cycle of all available energy sources, CO_2 emissions from nuclear power are lower than those from thermal power, and are even lower than those from solar or wind power. Thus, nuclear power is an outstanding power source to prevent global warming.

The electric power companies of Japan are also striving to improve the capacity factor of nuclear power plants. A 1% improvement in the capacity factor at existing nuclear power plants in Japan is equivalent to a reduction of 3 million tons of CO_2.

In addition, the industry has been striving to increase the share of LNG-fired thermal power which has the advantage of relatively low CO_2 emissions, and improve the efficiency of thermal power plants.

As a result, since the oil crises of the 1970s, electricity demand in Japan has become 3.5 times greater, yet the CO_2 emission intensity level (end use electricity) in fiscal 2007 was 0.453 kg-CO_2 per kWh, meaning that emissions per kWh used have fallen by around 24% since 1970.

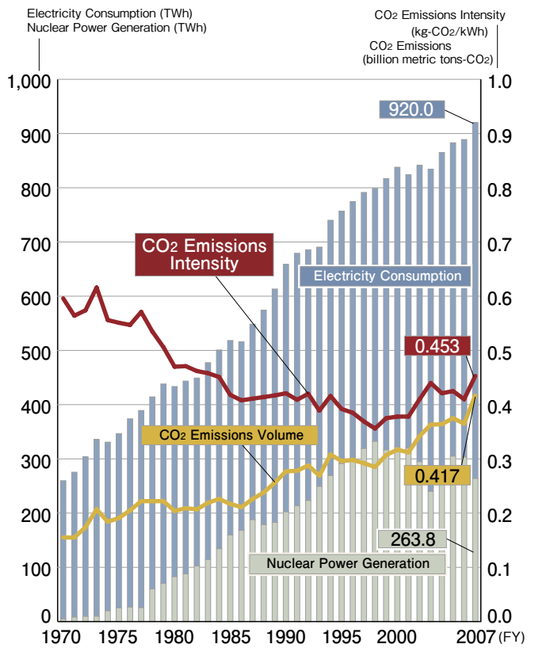
CO_2 Emissions Intensity over the Entire Lifecycle by Source



Note: (1) Based on total CO_2 emissions from all energy consumed in energy extraction, transportation, refining, plant operation and maintenance, etc. in addition to burning of the fuel.
(2) Data for nuclear power includes reprocessing of spent fuel in Japan (under construction), MOX fuel use in thermal reactors (assuming recycling once) and disposal of high level radioactive waste.

Source: Report of the Central Research Institute of Electric Power Industry etc.

Historical Trends in CO_2 Emissions from Power Generation (excluding self-generators)



Source: FEPC

Renewable Energy Sources

Recently, more and more photovoltaic and wind power plants have been installed across the country as clean energy sources that emit no CO_2. Electric power companies are also focusing aggressively on research and development to solve the problems associated with renewable energy sources, such as low efficiency of generation, high generation cost and technical difficulties in power system interconnection. In order to promote such renewable energy, electric power companies introduced an additional power purchasing system in 1992 as well as the Green Power Fund established in October 2000, which collects donations from customers to construct photovoltaic and wind power facilities.

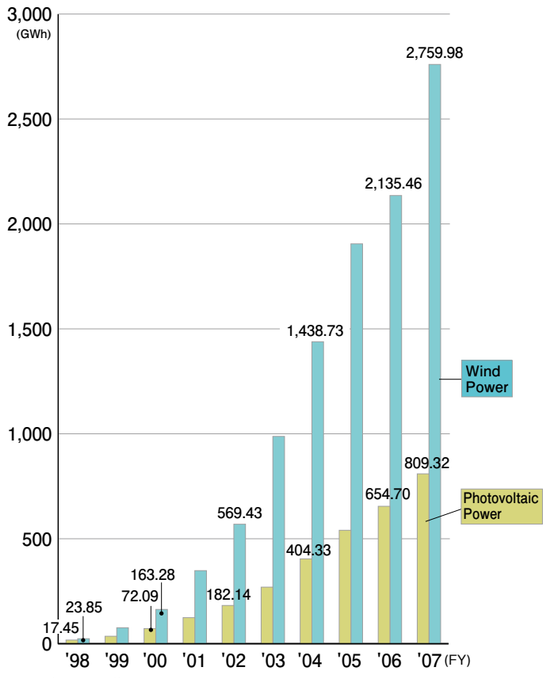
Electric power companies are also firmly committed to the renewables portfolio standard (RPS) system promulgated by the national government in April 2003, which requires each electric power company to generate or purchase a designated volume of "new energy" power or its equivalent.

Moreover, all the electric power companies of Japan are moving toward building mega solar power generation plants to expand solar power in the future. The industry plans to build solar power plants with a total capacity of about 140,000kW at about 30 sites throughout the country by 2020.

As for expanding the introduction of renewable energy, FEPC announced the results of analysis in May 2008 that the power system allows, without sacrificing stability of the system, the interconnection of up to about 5 million kW of wind power and up to 10 million kW of photovoltaic power except in cases such as local congestion.

Japan's electric power companies are continuing to make efforts to expand and promote renewable energy sources.

Ten Electric Power Companies' Purchasing Volume of Photovoltaic and Wind Power



Source: FEPC

Mega Solar Power Generation Plant (Conceptual Drawing)

Wind Power

Sharing Japan's Top-level Environmental Technologies with the World

As a result of taking various environmental measures at thermal power plants, Japan has achieved the world's top-level energy efficiency. Based on this achievement, the electric power industry in Japan has been making efforts to establish a mechanism for sharing such advanced technologies with electric power industries in other countries (see the column).

Through the cooperation between advanced and developing countries, and with the "sectoral approaches" for sector-by-sector improvement of energy efficiency, it will be possible to achieve compatibility between economic growth and global environmental preservation. The electric power industry of Japan has been proposing the sectoral approaches to the world as a new focus for the post-Kyoto period.

FEPC estimates that the sectoral approaches to the coal-fired power plants all over the world such as the introduction of best available technologies and the improvement of operation and maintenance would create the potential of reducing CO_2 emissions by about 1.87 billion tons-CO_2 per year in 2030, which is much greater than the total annual CO_2 emissions in Japan today (1.3 billion tons-CO_2).

Column

Participation in Asia-Pacific Partnership (APP) on Clean Development and Climate

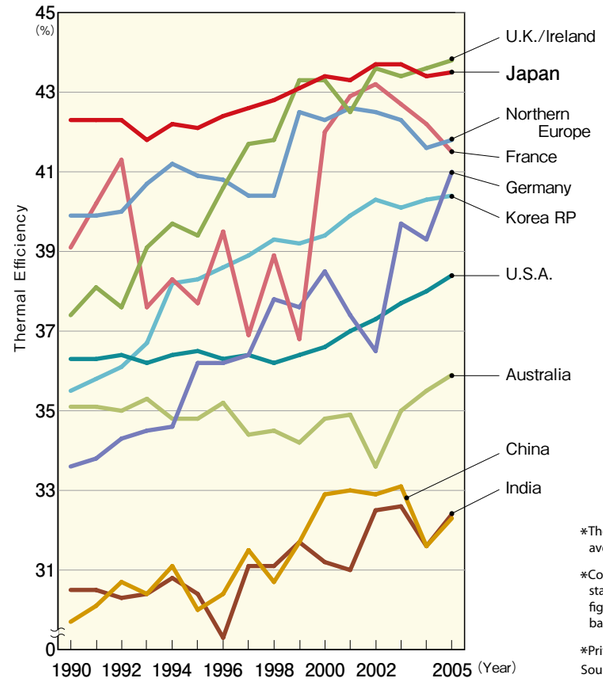
APP is a framework for inter-regional partnership for responding to the challenges of growing energy demand, energy security, climate change, and so on. Under this framework, the seven participating countries (United States, Australia, China, India, South Korea, Japan and Canada) are pursuing the development, transfer and spread of clean and energy-efficient technologies.

CO_2 emissions from the seven participating countries account for more than half of global CO_2 emissions, and so these seven countries' efforts for reducing CO_2 emissions will have a global impact. Electric power companies in Japan are actively involved in these efforts.

APP 2nd Peer Review Activity in India

Green Handbook and Review Sheet

Comparison of Thermal Power Plant Efficiency in Japan and Other Countries



*Thermal efficiency is the gross generating efficiency based on the weighted averages of efficiencies for coal, petroleum and gas (low heat value standard).

*Comparisons are made after converting Japanese data (higher heating value standard) to lower heating value standard, which is generally used overseas. The figures based on lower heating value are around 5-10% higher than the figures based on higher heating value.

*Private power generation facilities, etc. not covered.

Source: International Comparison of Fossil Power Efficiency and CO_2 Intensity (2008)(ECOFYS)

Demand-side Efforts for CO_2 Reduction

In Japan, the energy demand for water heating constitutes about 30% of the total energy demand in the household sector, and so energy-saving and CO_2 reduction measures in this area are very effective. Electric power companies have been working hard to develop and promote electric appliances and systems to reduce CO_2 emissions. One example is EcoCute, a water heating system with a heat pump that uses CO_2 as refrigerant.

EcoCute heats water by transferring the thermal energy in air, which is freely available, to water by means of refrigerant. With a *single unit* of electric energy for heat pump operation and *three units or more* of thermal energy from air, it produces *four units or more* of thermal energy.

Thanks to this principle, CO_2 emissions are cut by about 50% compared with conventional combustion type water heaters. Because of this advantage, the government and industry are jointly promoting the use of heat pump systems as a key means of preventing global warming in the consumer sector (household and commercial sectors). When heat pump systems fully penetrate the consumer and industrial sectors, the resulting CO_2 emissions reduction will amount to about 10% of the present annual CO_2 emissions in Japan, which is about 1.3 billion tons-CO_2.

Column

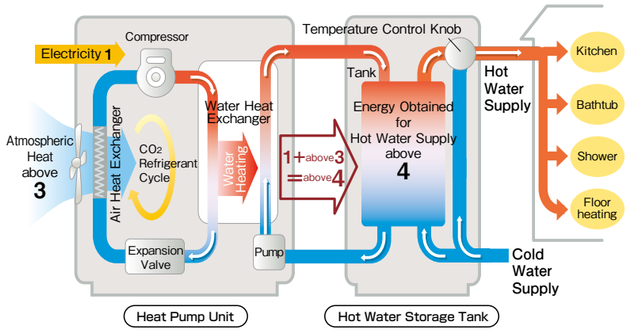
Electric Vehicle Deployment Plan

The electric power companies of Japan have been working hard to achieve full-scale commercialization of environmentally-efficient electric vehicles, such as conducting driving tests and developing new fast battery chargers jointly with automobile manufacturers. To expand the use of electric vehicles, the electric power companies jointly decided to introduce about 10,000 electric vehicles (including plug-in hybrid vehicles) in total for commercial use by FY2020.

Electric Vehicle
(Mitsubishi Motors Corporation, i MiEV)

Fast Battery Charger

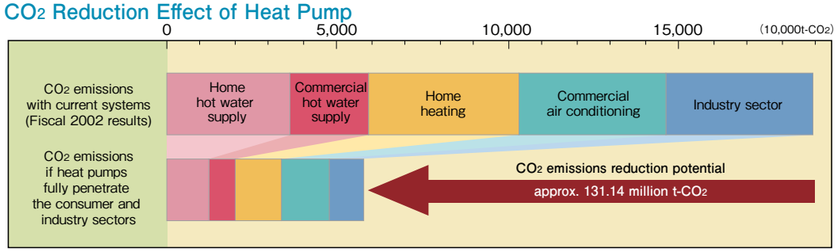
EcoCute Hot Water Supply Structure: CO_2 Retrigerant Heat Pump Hot Water Heater



1 Electricity Energy + above3 Atmospheric Heat = above 4 Energy Obtained for Hot Water Supply

EcoCute Heat Pump Unit (left) and Hot Water Storage Tank

CO_2 Reduction Effect of Heat Pump



Source: Calculations by The Heat Pump & Thermal Storage Technology Center of Japan

Strengthening International Communication and Cooperation

Japan's electric power companies remain active on a worldwide basis. In order to cope with global warming and to ensure the safety of nuclear power generation, international cooperation is indispensable. Each of the electric power companies in Japan has individual agreements with overseas utilities in order to facilitate exchanges on a wide range of information such as power generation, customer relations, distribution and quality control. The industry's top executives actively participate in international meetings such as the International Electricity Summit and the World Association of Nuclear Operators (WANO) to exchange views, while we also accept trainees from overseas. We import most of our fuel such as oil and coal from overseas countries and also keep our doors open to foreign companies on the purchase of equipment such as generators.

Overseas Offices

Please feel free to contact your nearest office.

WASHINGTON, D.C.

●The Federation of Electric Power Companies of Japan, Washington Office

The Federation's Washington Office was established in January 1994. Its principal objectives are to study U.S. energy policies and to exchange information with U.S. energy opinion leaders in order to promote a greater understanding of the Japanese electric power industry.

1901 L Street, N.W., Suite 600, Washington, D.C. 20036, U.S.A.
Tel: (202) 466-6781 Fax: (202) 466-6758
http://www.japannuclear.com/
Established in 1994

●Tokyo Electric Power Co., Inc., Washington Office
1901 L Street, N.W., Suite 720, Washington, D.C. 20036, U.S.A.
Tel: (202) 457-0790 Fax: (202) 457-0810
Established in 1978

●Chubu Electric Power Co., Inc., Washington Office
900 17th Street, N.W., Suite 1220, Washington, D.C. 20006, U.S.A.
Tel: (202) 775-1960 Fax: (202) 331-9256
Established in 1982

LONDON

●Tokyo Electric Power Co., Inc., London Office
Berkeley Square House, Berkeley Square, London W1J 6BR, U.K.
Tel: (020) 7629-5271 Fax: (020) 7629-5282
Established in 1982

●Chubu Electric Power Co., Inc., London Office
Nightingale House, 65 Curzon Street, London W1J8PE, U.K.
Tel: (020) 7409-0142 Fax: (020) 7408-0801
Established in 1985

BANGKOK

●Chubu Elecric Power Co., Inc., Bangkok Office
Unit 4, 18th Floor, M. Thai Tower, All Seasons Place,
87 Wireless Road, Phatumwan, Bangkok 10330, THAILAND
Tel: (02) 654-0688 Fax: (02) 654-0689
Established in 2006

DOHA

●Chubu Elecric Power Co., Inc., Doha Office
4th Floor, Al Salam Tower, Al Corniche P.O.Box 22470,
Doha, Qatar
Tel: (974) 4836-830 Fax: (974) 4834-841
Established in 2007

Major Power Plants

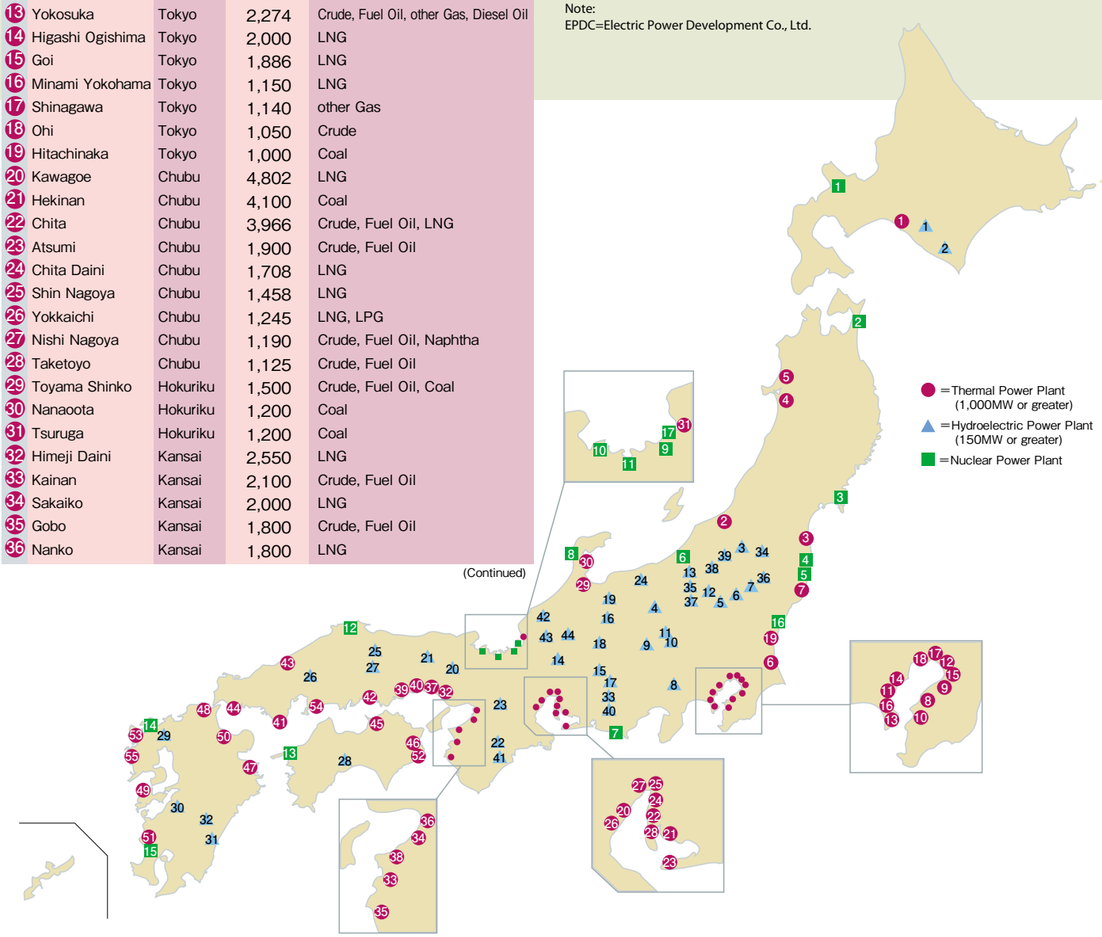
Japan's electric power industry operates some 1,800 hydroelectric, thermal, nuclear, and other power plants to meet the required demand. Here is a list and map of the country's major power plants:

Principal Thermal Power Plants (1,000MW or greater)

As of March 31, 2008

	Name of Plant	Company	Installed Capacity (MW)	Fuel
1	Tomato-atsuma	Hokkaido	1,650	Coal
2	Higashi Niigata	Tohoku	4,600	LNG, other Gas
3	Haramachi	Tohoku	2,000	Coal
4	Akita	Tohoku	1,300	Crude, Fuel Oil
5	Noshiro	Tohoku	1,200	Coal
6	Kashima	Tokyo	4,400	Crude, Fuel Oil
7	Hirono	Tokyo	3,800	Crude, Fuel Oil, Coal
8	Sodegaura	Tokyo	3,600	LNG
9	Anegasaki	Tokyo	3,600	Crude, Fuel Oil, LNG, LPG, NGL
10	Futtsu	Tokyo	3,520	LNG
11	Yokohama	Tokyo	3,325	Crude, Fuel Oil, LNG, NGL
12	Chiba	Tokyo	2,880	LNG
13	Yokosuka	Tokyo	2,274	Crude, Fuel Oil, other Gas, Diesel Oil
14	Higashi Ogishima	Tokyo	2,000	LNG
15	Goi	Tokyo	1,886	LNG
16	Minami Yokohama	Tokyo	1,150	LNG
17	Shinagawa	Tokyo	1,140	other Gas
18	Ohi	Tokyo	1,050	Crude
19	Hitachinaka	Tokyo	1,000	Coal
20	Kawagoe	Chubu	4,802	LNG
21	Hekinan	Chubu	4,100	Coal
22	Chita	Chubu	3,966	Crude, Fuel Oil, LNG
23	Atsumi	Chubu	1,900	Crude, Fuel Oil
24	Chita Daini	Chubu	1,708	LNG
25	Shin Nagoya	Chubu	1,458	LNG
26	Yokkaichi	Chubu	1,245	LNG, LPG
27	Nishi Nagoya	Chubu	1,190	Crude, Fuel Oil, Naphtha
28	Taketoyo	Chubu	1,125	Crude, Fuel Oil
29	Toyama Shinko	Hokuriku	1,500	Crude, Fuel Oil, Coal
30	Nanaoota	Hokuriku	1,200	Coal
31	Tsuruga	Hokuriku	1,200	Coal
32	Himeji Daini	Kansai	2,550	LNG
33	Kainan	Kansai	2,100	Crude, Fuel Oil
34	Sakaiko	Kansai	2,000	LNG
35	Gobo	Kansai	1,800	Crude, Fuel Oil
36	Nanko	Kansai	1,800	LNG
37	Himeji Daiichi	Kansai	1,442	LNG
38	Tanagawa Daini	Kansai	1,200	Crude, Fuel Oil
39	Ako	Kansai	1,200	Crude, Fuel Oil
40	Aioi	Kansai	1,125	Crude, Fuel Oil
41	Yanai	Chugoku	1,400	LNG
42	Tamashima	Chugoku	1,200	Crude, Fuel Oil
43	Misumi	Chugoku	1,000	Coal
44	Shin Onoda	Chugoku	1,000	Coal
45	Sakaide	Shikoku	1,150	Crude, Fuel Oil, other Gas
46	Anan	Shikoku	1,245	Crude, Fuel Oil
47	Shin Oita	Kyushu	2,295	LNG
48	Shin Kokura	Kyushu	1,800	LNG
49	Reihoku	Kyushu	1,400	Coal
50	Buzen	Kyushu	1,000	Crude, Fuel Oil
51	Sendai	Kyushu	1,000	Crude, Fuel Oil
52	Tachibanawan	EPDC	2,100	Coal
53	Matsuura	EPDC	2,000	Coal
54	Takehara	EPDC	1,300	Coal
55	Matsushima	EPDC	1,000	Coal

Note:
EPDC=Electric Power Development Co., Ltd.



(Continued)

Nuclear Power Plants

●In Operation

As of January 31, 2009

	Name of Plant	Unit Number	Company	Installed Capacity (MW)	Type of Reactor	Start
1	Tomari	1	Hokkaido	579	PWR	1989.6
		2		579	PWR	1991.4
2	Higashi-Dori	1	Tohoku	1,100	BWR	2005.12
3	Onagawa	1	Tohoku	524	BWR	1984.6
		2		825	BWR	1995.7
		3		825	BWR	2002.1
4	Fukushima Daiichi	1	Tokyo	460	BWR	1971.3
		2		784	BWR	1974.7
		3		784	BWR	1976.3
		4		784	BWR	1978.10
		5		784	BWR	1978.4
		6		1,100	BWR	1979.10
5	Fukushima Daini	1	Tokyo	1,100	BWR	1982.4
		2		1,100	BWR	1984.2
		3		1,100	BWR	1985.6
		4		1,100	BWR	1987.8
6	Kashiwazaki Kariwa	1	Tokyo	1,100	BWR	1985.9
		2		1,100	BWR	1990.9
		3		1,100	BWR	1993.8
		4		1,100	BWR	1994.8
		5		1,100	BWR	1990.4
		6		1,356	ABWR	1996.11
		7		1,356	ABWR	1997.7
7	Hamaoka	3	Chubu	1,100	BWR	1987.8
		4		1,137	BWR	1993.9
		5		1,267	ABWR	2005.1
8	Shika	1	Hokuriku	540	BWR	1993.7
		2		1,206	ABWR	2006.3
9	Mihama	1	Kansai	340	PWR	1970.11
		2		500	PWR	1972.7
		3		826	PWR	1976.12
10	Takahama	1	Kansai	826	PWR	1974.11
		2		826	PWR	1975.11
		3		870	PWR	1985.1
		4		870	PWR	1985.6
11	Ohi	1	Kansai	1,175	PWR	1979.3
		2		1,175	PWR	1979.12
		3		1,180	PWR	1991.12
		4		1,180	PWR	1993.2
12	Shimane	1	Chugoku	460	BWR	1974.3
		2		820	BWR	1989.2
13	Ikata	1	Shikoku	566	PWR	1977.9
		2		566	PWR	1982.3
		3		890	PWR	1994.12
14	Genkai	1	Kyushu	559	PWR	1975.10
		2		559	PWR	1981.3
		3		1,180	PWR	1994.3
		4		1,180	PWR	1997.7
15	Sendai	1	Kyushu	890	PWR	1984.7
		2		890	PWR	1985.11
16	Tokai Daini		Japan Atomic Power Co.	1,100	BWR	1978.11
17	Tsuruga	1	Japan Atomic Power Co.	357	BWR	1970.3
		2		1,160	PWR	1987.2
Total		53 Units		47,935MW		

●Under Construction

(Estimated start)

Tomari	3	Hokkaido	912	PWR	2009.12
Shimane	3	Chugoku	1,373	ABWR	2011.12
Ohma		EPDC	1,383	ABWR	2014.11
Total	3 Units		3,668MW		

●End of Operation

Hamaoka	1	Chubu	540	BWR	2009.1
	2		840	BWR	2009.1
Tokai		Japan Atomic Power Co.	166	GCR	1998.3
Total	3 Units		1,546MW		

●Others

Fugen	Japan Atomic Energy Agency	165	ATR(Prototype)
Monju	Japan Atomic Energy Agency	280	FBR(Prototype)

Principal Hydroelectric Power Plants (150MW or greater)

As of March 31, 2008

	Name of Plant	Company	Installed Capacity (MW)	Type
1	Niikappu	Hokkaido	200	Pumped Storage
2	Takami	Hokkaido	200	Pumped Storage
3	Daini Numazawa	Tohoku	460	Pumped Storage
4	Shin Takasegawa	Tokyo	1,280	Pumped Storage
5	Tamahara	Tokyo	1,200	Pumped Storage
6	Imaichi	Tokyo	1,050	Pumped Storage
7	Shiobara	Tokyo	900	Pumped Storage
8	Kazunogawa	Tokyo	800	Pumped Storage
9	Azumi	Tokyo	623	Pumped Storage
10	Kannagawa	Tokyo	470	Pumped Storage
11	Midono	Tokyo	245	Pumped Storage
12	Yagisawa	Tokyo	240	Pumped Storage
13	Shinanogawa	Tokyo	177	
14	Okumino	Chubu	1,500	Pumped Storage
15	Okuyahagi Daini	Chubu	780	Pumped Storage
16	Takane Daiichi	Chubu	340	Pumped Storage
17	Okuyahagi Daiichi	Chubu	315	Pumped Storage
18	Mazegawa Daiichi	Chubu	288	Pumped Storage
19	Arimine Daiichi	Hokuriku	265	
20	Okutataragi	Kansai	1,932	Pumped Storage
21	Okawachi	Kansai	1,280	Pumped Storage
22	Okuyoshino	Kansai	1,206	Pumped Storage
23	Kisenyama	Kansai	466	Pumped Storage
24	Kurobegawa Daiyon	Kansai	335	
25	Matanogawa	Chugoku	1,200	Pumped Storage
26	Nabara	Chugoku	620	Pumped Storage
27	Shin Nariwagawa	Chugoku	303	Pumped Storage
28	Hongawa	Shikoku	615	Pumped Storage
29	Tenzan	Kyushu	600	Pumped Storage
30	Ohira	Kyushu	500	Pumped Storage
31	Omarugawa	Kyushu	300	Pumped Storage
32	Hitotsuse	Kyushu	180	
33	Shin Toyone	EPDC	1,125	Pumped Storage
34	Shimogo	EPDC	1,000	Pumped Storage
35	Okukiyotsu	EPDC	1,000	Pumped Storage
36	Numappara	EPDC	675	Pumped Storage
37	Okukiyotsu Daini	EPDC	600	Pumped Storage
38	Okutadami	EPDC	560	
39	Tagokura	EPDC	385	
40	Sakuma	EPDC	350	
41	Ikehara	EPDC	350	Pumped Storage
42	Tedorigawa Daiichi	EPDC	250	
43	Nagano	EPDC	220	Pumped Storage
44	Miboro	EPDC	215	

●Preparing for Construction

(Estimated start)

Namie-Odaka		Tohoku	825	BWR	FY2019
Higashi-Dori	2	Tohoku	1,385	ABWR	FY2019～
Fukushima Daiichi	7	Tokyo	1,380	ABWR	2014.10
	8		1,380	ABWR	2015.10
Higashi-Dori	1	Tokyo	1,385	ABWR	2015.12
	2		1,385	ABWR	FY2018～
Kaminoseki	1	Chugoku	1,373	ABWR	FY2015
	2		1,373	ABWR	FY2018
Tsuruga	3	Japan Atomic Power Co.	1,538	APWR	2016.3
	4		1,538	APWR	2017.3
Total	10 Units		13,562MW		

Note: PWR=Pressurized Water Reactor, BWR=Boiling Water Reactor, APWR=Advanced Pressurized Water Reactor, ABWR=Advanced Boiling Water Reactor, GCR=Gas Cooled Reactor, ATR=Advanced Thermal Reactor, FBR=Fast Breeder Reactor

The Federation of Electric Power Companies

Electricity supply in Japan is carried out by privately-owned independent regional electric power companies and close cooperation among these companies is essential for efficient operations. In 1952, the nine electric power companies established the Federation of Electric Power Companies (FEPC) to promote smooth operations within the industry. Since then, FEPC has played an important role as a base for close communication between the electric power companies and as a forum for exchanging views to create the electric power industry of the future. Moreover, FEPC undertakes various activities to ensure stable operations of the electric power industry, with an awareness of its role in the energy industry of Japan.

With the return of Okinawa to Japan in 1972, the Okinawa Electric Power Company rejoined Japan's electric power industry, becoming an FEPC member in March 2000.

Board of Directors

Chairman
Shosuke Mori

Vice Chairman
Hiroaki Takahashi

Vice Chairman
Isao Nagahara

Vice Chairman
Yoshihisa Morimoto

Senior Managing Director
Yuji Kume

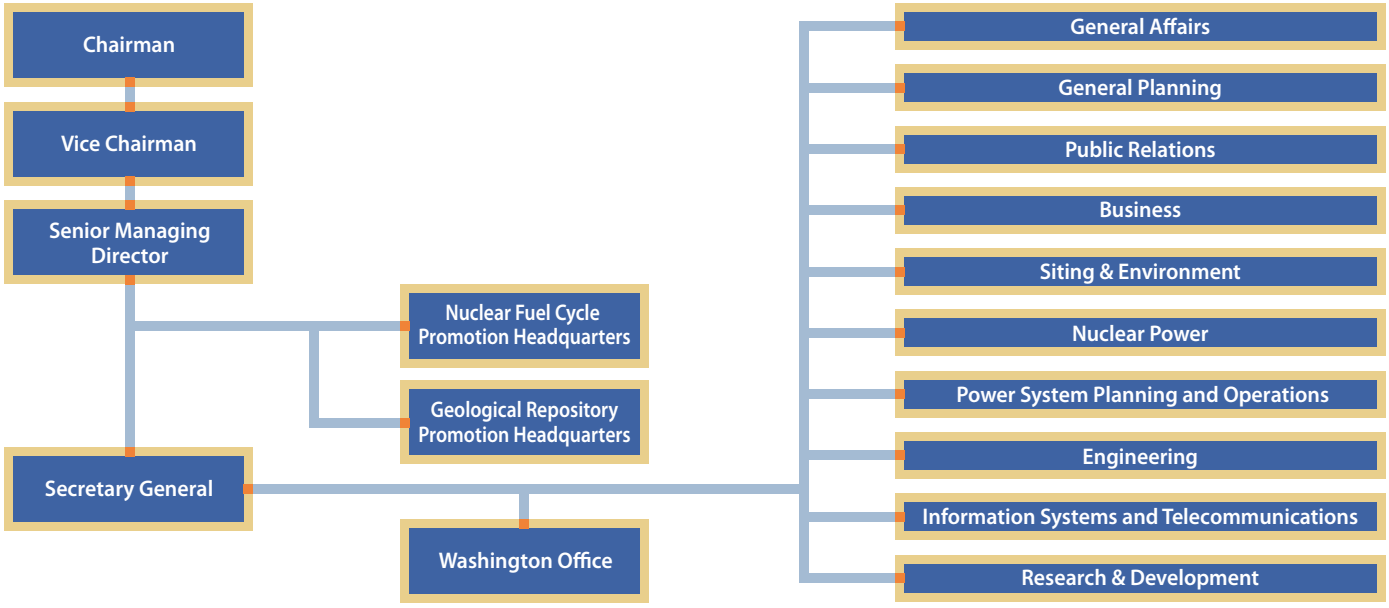
Director
Secretary General
Yuzuru Hiroe

Director
Deputy Secretary General
Yasuhiro Tejima

Director
Nuclear Fuel Cycle
Promotion Headquarters
Susumu Tanuma

Director
Geological Repository
Promotion Headquarters
Kazuya Sugiyama

Organization of FEPC



Data

contents

Company Data (Fiscal year ending March 31, 2008)

Company	Capital Stock (Million yen)	Total Assets (Million yen)	Generating Capacity (MW)	Electricity Supplied (GWh)	Electricity Sales (GWh)	Revenues from Electricity Sales (Million yen)	Number of Customers (Thousands)	Number of Employees
Hokkaido	114,291	1,456,098	6,505	36,260	32,445	542,923	3,919	5,724
Tohoku	251,441	3,675,908	16,798	92,134	84,072	1,586,331	7,665	12,155
Tokyo	676,434	13,057,731	62,473	323,115	297,397	5,169,107	28,316	38,238
Chubu	430,777	5,238,546	32,471	149,120	137,484	2,193,427	10,443	15,952
Hokuriku	117,641	1,481,102	8,114	32,367	29,305	464,911	2,082	4,611
Kansai	489,320	6,135,003	34,364	163,443	150,422	2,422,722	13,337	22,111
Chugoku	185,527	2,525,313	11,826	69,683	63,579	1,019,621	5,191	10,165
Shikoku	145,551	1,364,394	6,665	32,834	29,269	551,632	2,835	6,030
Kyushu	237,304	3,784,701	19,716	96,109	88,082	1,365,701	8,380	12,459
Okinawa	7,586	347,192	1,925	8,468	7,491	149,024	816	1,568
Total	**2,655,872**	**39,065,988**	**200,858**	**1,003,533**	**919,544**	**15,465,399**	**82,983**	**129,013**

Source: Handbook of Electric Power Industry

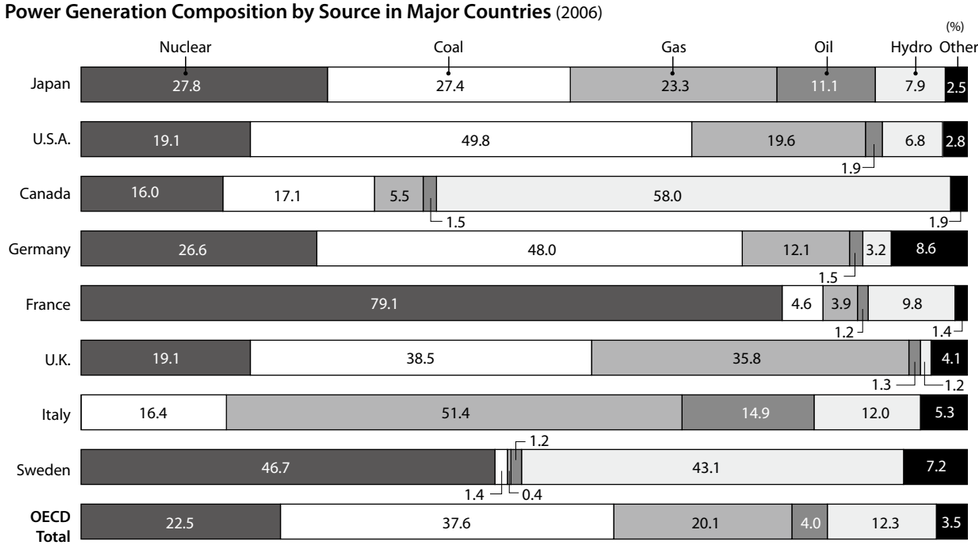
Changes in Electric Power Generation

(TWh)

Fiscal Year		1985	1990	1995	2000	2005	2006	2007
Ten Companies	Hydro	61.0	65.4	62.3	66.5	60.0	66.0	57.2
	Thermal	295.2	392.0	401.1	426.4	459.3	465.2	538.3
	Geothermal	1.2	1.4	2.8	3.0	2.9	2.8	2.7
	Nuclear	148.0	181.1	271.4	302.5	287.0	287.1	249.5
Subtotal		505.5	639.9	737.6	798.4	809.2	821.1	847.7
Industry-Owned and Others		166.4	217.4	252.3	293.1	348.7	340.0	345.0
Total		**672.0**	**857.3**	**989.9**	**1,091.5**	**1,157.9**	**1,161.1**	**1,192.8**

Source: Handbook of Electric Power Industry

Power Generation Composition by Source in Major Countries (2006)



Source: IEA "Energy Balances of OECD Countries 2008 Edition"

Changes in Electricity Sales for Ten Companies (Nine Companies)

(TWh)

Fiscal Year	1985	1990	1995	2000	2005	2006	2007
Residential (Lighting)	(131.9)	177.4	224.6	254.6	281.3	278.3	289.7
Commercial and Industrial	(386.4)	481.5	532.4	583.3	601.3	611.1	629.8
Commercial	(77.1)	116.3	152.8	157.9	—	—	—
Small Industrial	(88.2)	100.1	108.0	115.8	—	—	—
Large Industrial	(203.5)	248.1	254.7	74.8	—	—	—
Others	(17.6)	17.0	16.9	15.0	13.4	12.8	12.7
Eligible Customers' Use	—	—	—	219.8	548.4	561.7	580.1
Total	**(518.3)**	**658.9**	**757.0**	**837.9**	**882.6**	**889.4**	**919.5**

Source: Handbook of Electric Power Industry

Changes in Electricity Sales for Ten Companies (Nine Companies)

(to large industrial and commercial customers)

(TWh)

Fiscal Year		1985	1990	1995	2000	2005	2006	2007
Mining and Industry	Mining	(1.7)	1.5	1.4	1.3	1.0	1.0	0.9
	Foodstuffs	(7.5)	11.3	13.2	15.3	15.4	16.1	17.2
	Textiles	(6.2)	6.8	5.1	3.9	3.1	3.2	3.2
	Pulp and Paper	(12.8)	11.9	9.5	10.5	10.3	10.5	11.0
	Chemicals	(27.3)	27.4	25.4	25.9	27.7	29.3	31.3
	Oil and Coal Products	(2.6)	2.4	2.6	1.5	1.5	1.6	1.7
	Rubber	(2.7)	3.5	3.4	3.5	3.4	3.3	3.3
	Clay and Stone	(13.3)	15.0	14.4	11.9	11.0	11.8	12.1
	Iron and Steel	(38.7)	41.3	38.3	36.5	36.2	38.9	39.6
	Non-ferrous Metals	(11.0)	12.3	13.1	14.2	14.1	15.1	16.8
	Machinery	(38.0)	57.3	62.9	69.8	74.0	78.6	82.6
	Others	(13.9)	22.1	24.4	27.0	27.6	29.3	30.5
Subtotal		(175.7)	212.7	213.8	221.2	225.2	238.8	250.3
Railways		(13.4)	16.4	17.9	18.1	19.0	18.7	18.7
Others		(14.4)	19.0	23.0	27.7	29.6	29.7	30.3
Total		**(203.5)**	**248.1**	**254.7**	**267.0**	**273.8**	**287.2**	**299.3**

Source: Handbook of Electric Power Industry

Changes in Electricity Sales* / Consumption** for Major Countries

(TWh)

		2000	2001	2002	2003	2004	2005	2006
U.S.A. (*)All electric utilities	Residential	1,192.4	1,201.6	1,265.2	1,275.8	1,292.0	1,359.2	1,351.5
	Commercial and Industrial	2,119.5	2,079.7	2,094.7	2,211.1	2,248.3	2,294.2	2,311.0
	Others	109.5	113.2	105.6	6.8	7.2	7.5	7.4
	Total	**3,421.4**	**3,394.5**	**3,465.5**	**3,493.7**	**3,547.5**	**3,661.0**	**3,669.9**
U.K. (*)All electric utilities	Residential	111.8	115.3	114.5	115.8	115.5	116.8	116.4
	Commercial and Industrial***	189.9	192.1	192.1	195.0	194.6	198.4	198.1
	Others	12.9	13.6	13.1	13.6	13.5	13.7	13.8
	Total	**314.7**	**321.1**	**319.8**	**324.3**	**323.6**	**328.9**	**328.3**
Germany (**)Electricity consumption	Residential	130.5	134.4	136.5	139.1	140.4	141.3	141.5
	Commercial and Industrial	307.5	308.3	313.5	317.7	322.5	323.8	328.6
	Others	63.5	65.0	66.2	68.2	69.0	69.1	69.5
	Total	**501.5**	**507.7**	**516.2**	**525.0**	**531.9**	**534.2**	**539.6**
Canada (*)All electric utilities	Residential	138.2	140.2	142.6	147.6	151.0	151.0	148.6
	Commercial and Industrial	183.6	182.4	181.1	183.7	179.8	188.5	183.3
	Others	138.9	136.3	141.9	145.2	147.6	148.2	145.6
	Total	**460.7**	**459.0**	**465.6**	**476.5**	**478.4**	**487.7**	**477.5**
France (**)Electricity consumption	High voltage	250.9	253.5	255.4	261.9	266.4	265.8	258.1
	Low voltage	159.7	166.4	165.0	175.1	182.3	185.7	188.9
	Total	**410.7**	**419.9**	**420.4**	**437.0**	**448.7**	**451.5**	**447.0**
Italy (*)All electric utilities	Residential	61.1	61.5	63.0	65.0	66.6	66.9	67.6
	Commercial and Industrial	184.0	191.1	195.3	202.8	205.7	210.1	217.9
	Others	10.4	10.6	10.6	10.9	11.1	11.5	11.9
	Total	**255.5**	**263.2**	**268.8**	**278.7**	**283.4**	**288.5**	**297.4**
Japan (*)Ten companies	Residential	254.6	254.5	263.4	259.7	272.5	281.3	278.3
	Commercial and Industrial	583.3	569.6	578.0	574.7	592.9	601.3	611.1
	Others	—	—	—	—	—	—	—
	Total	**837.9**	**824.1**	**841.5**	**834.3**	**865.4**	**882.6**	**889.4**

(***) including public facilities
Source: Overseas Electric Power Industry Statistics (2008)

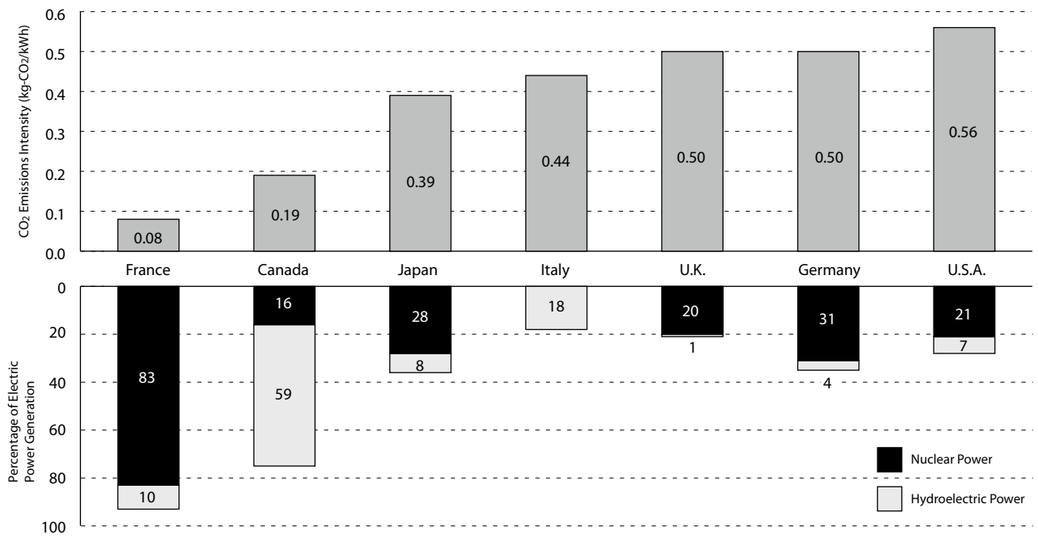
Country Comparison of Thermal Efficiency, Transmission and Distribution Loss, and Annual Load Factor

(%)

		1985	1990	1995	2000	2005	2006
U.S.A.	Thermal Efficiency	32.7	32.9	33.4	33.3	34.0	34.5
	Transmission and Distribution Loss	6.1	5.7	7.0	6.9	6.8	6.8
	Annual Load Factor	62.0	60.4	59.8	61.2	58.7	56.6
U.K.	Thermal Efficiency	32.9	33.9	36.2	36.2	35.6	36.3
	Transmission and Distribution Loss	8.7	8.1	8.6	9.0	8.7	8.6
	Annual Load Factor	57.8	62.2	65.4	67.4	66.4	69.2
Germany (Former W. Germany)	Thermal Efficiency	(39.3)	(39.8)	38.2	39.8	40.8	39.3
	Transmission and Distribution Loss	(4.8)	(4.3)	5.0	4.6	5.7	5.4
	Annual Load Factor	(63.2)	(68.6)	(71.9)	79.3	83.8	N/A
Canada	Thermal Efficiency	32.0	34.5	32.6	32.9	33.4	32.4
	Transmission and Distribution Loss	9.2	7.7	6.8	8.0	5.9	7.1
	Annual Load Factor	65.1	65.7	66.0	68.5	69.2	65.5
France	Thermal Efficiency	33.1	35.8	34.5	42.0	N/A	N/A
	Transmission and Distribution Loss	7.7	7.5	7.4	6.8	6.6	6.6
	Annual Load Factor	57.6	62.9	67.9	69.5	64.1	63.3
Italy	Thermal Efficiency	37.1	37.7	38.6	39.0	42.7	43.4
	Transmission and Distribution Loss	9.0	7.0	6.7	6.4	6.2	5.9
	Annual Load Factor	53.7	52.4	50.3	59.0	58.4	60.0
Japan Ten Companies (Nine Companies)	Thermal Efficiency	(38.2)	38.8	38.9	40.6	40.9	41.1
	Transmission and Distribution Loss	(5.8)	5.7	5.5	5.2	5.1	5.0
	Annual Load Factor	(60.4)	56.8	55.3	59.5	62.4	62.9

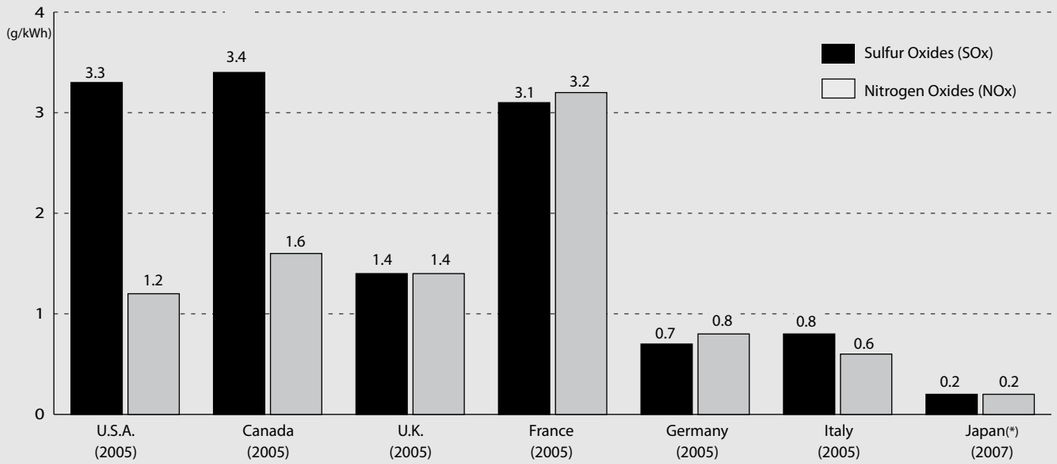
Source: Overseas Electric Power Industry Statistics (2008)

Comparison of CO_2 Emissions Intensity by Country (2006)



Sources: FEPC estimate based on IEA "Energy Balances of OECD Countries 2008 Edition"

SOx and NOx Emissions per Unit of Electricity Generated by Thermal Power in Each Country



Note: (*) = 10 Electric Power Companies + Electric Power Development Company
Sources: Estimate based on "OECD Environmental Data Compendium 2006/2007" and IEA "Energy Balances of OECD Countries 2008 Edition"
FEPC (for Japan)

Annual Balance Sheet for Ten Companies

(Billion yen)

Fiscal Year		2001	2002	2003	2004	2005	2006	2007
Assets	Fixed Assets	41,110	40,149	39,075	37,836	37,742	36,967	36,703
	(Operating Fixed Assets)	(31,855)	(30,514)	(29,529)	(28,719)	(28,317)	(27,139)	(26,169)
	(Investments, etc.)	(3,210)	(3,315)	(3,508)	(3,669)	(4,949)	(5,281)	(5,656)
	Current Assets	1,635	1,534	1,493	1,616	1,827	2,053	2,362
	Deferred Assets	0	0	0	0	0	—	—
	Total Assets	**42,746**	**41,684**	**40,570**	**39,453**	**39,570**	**39,020**	**39,065**
Liabilities and Net Assets	Fixed Liabilities	27,390	26,930	26,177	24,789	23,890	23,096	23,613
	(Long-term Debt)	(8,843)	(7,953)	(7,197)	(6,298)	(5,944)	(5,608)	(5,511)
	Current Liabilities	7,727	6,951	6,116	5,934	6,245	6,095	6,181
	Reserves	32	29	61	95	65	81	70
	Total Liabilities	**35,151**	**33,911**	**35,355**	**30,819**	**30,201**	**29,273**	**29,865**
	Capital	2,599	2,599	2,599	2,599	2,655	—	—
	Paid-up Advances on New Stocks	—	—	—	—	—	—	—
	Capital Surplus	270	270	271	271	331	—	—
	Retained Earnings	4,563	4,868	5,211	5,643	6,102	—	—
	Unrealized Gain on Securities	172	84	222	227	409	—	—
	Treasury Stock	-11	-50	-90	-108	-130	—	—
	Total Shareholder's Equity	**7,594**	**7,772**	**8,214**	**8,633**	**9,368**	**—**	**—**
	Shareholder's Equity	—	—	—	—	—	9,292	8,981
	(Common Stock)	—	—	—	—	—	(2,655)	(2,655)
	(Capital Surplus)	—	—	—	—	—	(332)	(328)
	(Retained Earnings)	—	—	—	—	—	(6,452)	(6,174)
	(Treasury Stock)	—	—	—	—	—	(-147)	(-177)
	Valuation and Translation Adjustments, etc	—	—	—	—	—	454	218
	Total Net Assets	**—**	**—**	**—**	**—**	**—**	**9,747**	**9,200**
	Total Liabilities and Net Assets	**42,746**	**41,684**	**40,570**	**39,453**	**39,570**	**39,020**	**39,065**

Note: Figures rounded down to nearest digit
Source: Handbook of Electric Power Industry

Revenues and Expenditures for Ten Companies

(Billion yen)

Fiscal Year		2001	2002	2003	2004	2005	2006	2007
Revenues	Residential	5,799	5,751	5,582	5,783	5,848	5,768	6,021
	Commercial and Industrial	8,804	8,318	8,088	8,154	8,124	8,321	8,600
	Subtotal	**14,604**	**14,070**	**13,670**	**13,938**	**13,972**	**14,090**	**14,622**
	Intercompany Power Sales	615	528	477	448	485	503	506
	Power Sales to Other Utilities	19	22	34	48	72	88	104
	Other Revenues	282	305	296	360	479	584	570
	Total	**15,521**	**14,927**	**14,478**	**14,796**	**15,010**	**15,266**	**15,802**
Expenditures	Personnel	1,758	1,883	1,796	1,665	1,502	1,389	1,266
	Fuel	1,911	2,021	2,044	2,178	2,755	3,117	4,470
	Maintenance	1,588	1,392	1,362	1,422	1,410	1,509	1,512
	Interest	883	737	616	574	474	442	406
	Depreciation	2,761	2,617	2,477	2,376	2,302	2,136	2,154
	Taxes and Public Charges	1,052	1,041	1,017	1,020	1,003	998	985
	Intercompany Power Purchases	615	528	477	448	484	514	492
	Power Purchases	1,231	1,297	1,277	1,360	1,420	1,444	1,576
	Drought Reserves	-7	-3	32	33	-29	10	-29
	Reserves for Depreciation of NPP	—	—	—	—	—	5	18
	Corporate Taxes	364	339	348	416	436	426	63
	Other Expenditures	2,713	2,477	2,398	2,575	2,494	2,608	2,826
	Total	**14,873**	**14,332**	**13,849**	**14,074**	**14,256**	**14,603**	**15,743**
	Net Income	647	595	628	722	754	663	58

Note: Figures rounded down to nearest digit
Source: Handbook of Electric Power Industry

Investment by Type of Power Facility for Ten Companies

(Billion yen)

Fiscal Year			2001	2002	2003
Expansion	Generation Source	Hydro	77	67	64
		Thermal	481	260	236
		Nuclear	233	199	153
		Subtotal	792	526	453
	Other	Transmission	237	199	146
		Transformation	96	71	58
		Distribution	223	174	161
		Supply, etc.	45	42	37
Total			**1,395**	**1,014**	**856**
Improvement			782	596	606
Survey Fees			17	16	23
Combined Total			2,194	1,627	1,486
Nuclear Fuel			437	448	283
Grand Total			**2,632**	**2,075**	**1,770**

Fiscal Year	2004	2005	2006	2007
Generation	516	449	499	654
Distribution, others	996	1,048	1,029	1,199
Total	**1,512**	**1,497**	**1,529**	**1,854**

Note: Figures rounded down to nearest digit
Source: Handbook of Electric Power Industry

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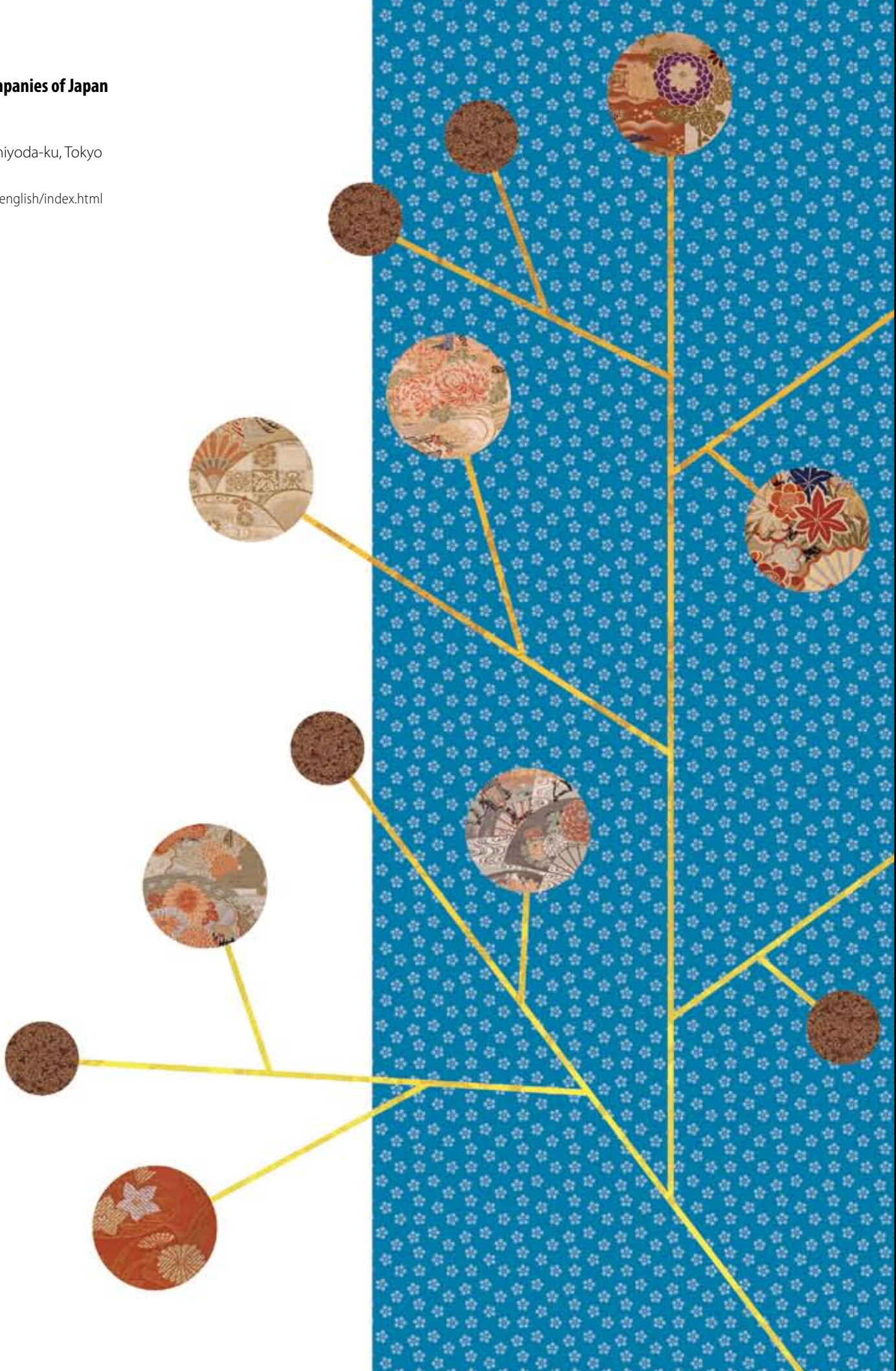

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