

“First Contract under Green Power Certification System”

- JNEC agrees with 20 corporate customers to sign a contract for 25.5 million kWh/year. -

5 April 2001

Japan Natural Energy Company Limited

Since its establishment in November 2000, Japan Natural Energy Company has been promoting a Green Power Certification System, the first program in Japan for contracting power generation using renewable energy, to provide corporate customers with a new measure for environmental protection. Up to the end of last March, JNEC, a Tokyo's Minato Ward-based company led by Takeshi Syouda as president, agreed with 20 corporate customers to conclude the first contract under the system for generating 25.5 million kWh of electricity a year by wind power over a period of 15 years. The electric energy to be produced on the contract is equivalent to power consumption by some 7,000 general households.

JNEC has also agreed with three wind power plants to sign a 15-year contract under which the plant operators will offer a combined total capacity of 23,550 kW as subcontractors. This arrangement provides additional capability for JNEC to continue soliciting new contracts from other prospective customers.

Under these contracts, JNEC will begin next summer to issue Certificates of Green Power to the participating corporate customers based on the record of electricity generated on their respective contracts so that they will be able to use the certificates to verify the results of their efforts for energy conservation and environmental protection. The customers will also be able to use Certificate of Green Power marks to widely publicize their corporate effort for increasing use of renewable energy sources among the general public.

JNEC requests corporate customers to sign a long-term contract extending over 15 years, with consideration given to the service life of wind power generation facilities. We believe that their decision to accept such long-term contracts proves a strong need among corporations for energy conservation and environmental protection measures, their strong support for the promotion of “green power,” and the potential size of green power market in Japan.

To meet customers' requirements, JNEC will continue to further increase demand for green power service while taking positive steps jointly with

customers toward the diffusion of renewable energy through the deepening and expansion of the Green Power Certification System, including a proposal for official assessment of actualized contract awards for green power generation mainly under the Energy Conservation and Recycling Support Law, in a bid to attain a total green power capacity of 1 million kW in the years ahead.

For further details, please call:

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(Annex)

**“Corporate Customers Participating in 1st Contract
under Green Power Certification System”**

<i>Names of companies</i>	<i>Annual contract power</i>
SONY CORP.	4.5 million kWh
Seiko Epson Corporation	2.0 million kWh
TOYOTA MOTOR CORP	2.0 million kWh
ASAHI BREWERIES, LTD.	1.0 million kWh
Eisai Co., Ltd.	1.0 million kWh
HAZAMA CORP.	1.0 million kWh
Hitachi, Ltd.	1.0 million kWh
KANDENKO CO., LTD.	1.0 million kWh
MAEDA CORP.	1.0 million kWh
Mitsubishi Estate Co., Ltd.	1.0 million kWh
Mitsubishi Heavy Industries Co., Ltd.	1.0 million kWh
Mitsui & Co., Ltd.	1.0 million kWh
Nihon Unisys, Ltd.	1.0 million kWh
RICOH CO., LTD.	1.0 million kWh
Sumitomo Corporation	1.0 million kWh
Sumitomo Metal Industries, Ltd.	1.0 million kWh
Sumitomo Mitsui Banking Corp.	1.0 million kWh
Tokio Marine & Fire Insurance Co., Ltd.	1.0 million kWh
Tokyo Electric Power Co.	1.0 million kWh
Tokyo Gas Co., Ltd.	1.0 million kWh
Total	25.5 million kWh

“Wind Power Stations under Subcontract with JNEC”

【 Plants scheduled to start up operation in FY2001 】

Choshi-Byobugaura Wind Development Co.,Ltd.

(President: Masayuki Tsukawaki; head office: Choshi, Chiba Pref.)

Choshi-Byobugaura Wind Power Station: 1,500 kW (1,500 kW x 1 unit)

(Scheduled to start up commercial operation in August 2001)

Tohoku Natural Energy Development Co.,Ltd.

(President: Masao Yabuki; head office: Sendai, Miyagi Pref.)

Noshiro Wind Power Station: 14,400 kW (600 kW x 24 units)

(Scheduled to start up commercial operation in December 2001)

【 Plants scheduled to start up operation in FY2002 】

TOYOTA TSUSHO CORPORATION

(President: Hiroshi Senwa; head office: Nagoya, Aichi Pref.)

Matsuo Bridge Co., Ltd.

(President: Ryoza Hirata; Head office: Osaka)

Minami Towada Wind Power Station: 7,650 kW (850 kW x 9 units)

(Scheduled to start up commercial operation in October 2002)

Note: The total capacity under subcontract with Choshi-Byobugaura Wind Power Station will be used to meet electricity demand on contract from Sony Corp.

【Reference Data 1】

“Conceptual Drawings of Wind Power Stations under Subcontract with JNEC”

【Scheduled to start up operation in FY2001】

Choshi Byobugaura Wind Power Station
(Located at 1430 Obama, Choshi,
Chiba Pref.)
1,500 kW (1,500 kW x 1 unit)



Noshiro Wind Power Station
(Located in Kami Seizanchi, Noshiro,
Akita Pref.)
14,400 kW (600 kW x 24 units)



【Scheduled to start up operation in FY2002】

Minami Towada Wind Power Station
(Located in Ohyu Aza Tashirodaira,
Towada, Kazuno, Akita Pref.)
7,650 kW (850 kW x 9 units)



グリーン電力証書

The Certificate of Green Power

見本

〇〇株式会社

Serial No. FY####-#####



1,000,000kWh

〇〇〇〇年度に、100万kWhの風力発電を行ったことを証する。

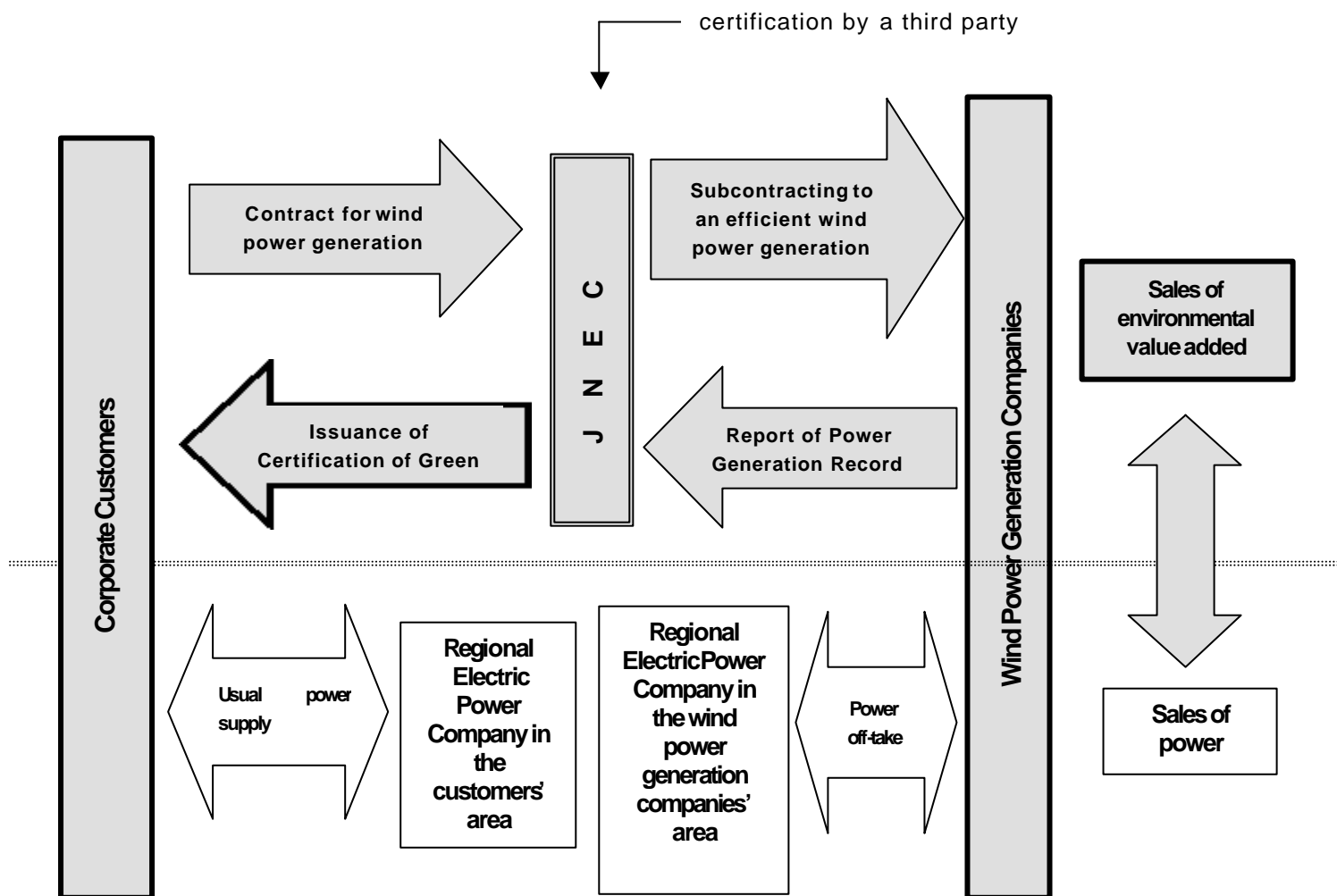
 日本自然エネルギー株式会社

Outline of JNEC

1. Name of Company : Japan Natural Energy Company Limited
2. Location : Tsukasa Building 2F, Nishishinbashi 3-6-2, Minato-ku, Tokyo
3. Date of Establishment : 1 November 2000
4. Contents of Business : Providing power generation services mainly to corporate customers using natural energy sources such as wind power. In specific, the company receives a request for power generation service from a customer and then carries out the power generation by itself or entrusts it to a subcontractor (power generation company). The customer receives a “Certification of Green Power” according to the amount of electricity generated as proof of achievement of environmental protection measures. The power generated is sold to regional electric power companies.
5. Capital Stock : ¥300 million (authorised capital : ¥1.2 billion)
6. Participation of Each Contributor :
 - Tokyo Electric Power Company (51%)
 - Sumitomo Corporation (10%)
 - Mitsui & Co., Ltd. (10%)
 - Tohoku Electric Power Company (7%)
 - Japan Wind Development Co., Ltd. (5%)
 - Kyusyu Electric Power Company (4%)
 - Chubu Electric Power Company (3%)
 - Hokuriku Electric Power Company (3%)
 - Kansai Electric Power Company (3%)
 - Shikoku Electric Power Company (3%)
 - Sumitomo Mitsui Banking Corp. (1%)

7. Outline of Business

The purpose of this business is to provide corporate customers with “new environmental protection measures” according to their needs rather than to receive donations. The details of the system is as follows:



*JNEC will only be entrusted with the power generation service with the power supply contract unaffected.

Corporate customers entrust power generation to JNEC.

Upon consulting with customers, JNEC decides whether to carry out wind power generation by itself or to subcontract it to the most efficient wind power generation company.

The subcontracted wind power generation company generates power based

on the contract and then reports of the amount generated to JNEC.

An neutral third party certifies the actual record of natural energy power generation.

JNEC issues a “Certification of Green Power” according to the amount generated.

The generated power is purchased by a regional electric power company in the power generation facility area at a reasonable price.

Note:

- With Certification of Green Power, customers can show proof of their use of green electricity and this can serve various purposes such as meeting targets of fossil fuel savings and CO₂ emission reductions, obtaining an environmental ISO and improving corporate identity and production images.
- By separating “sales of environmental value added” from “sales of electric power “, a wind power generation service which is the most suitable for customers’ needs can be provided regardless of the area an electric power company covers.
- Due to cost considerations, wind power will initially be utilised for generation. Power generation in other forms, however, will be undertaken in the future in accordance with customer needs (for photovoltaic, geothermal, mini-hydro power and biomass generations, etc.) and renewable energy cost reductions.