

December 13, 2007

J-Power Systems Corp.

News Release

J-Power Systems to form High Voltage Power Cable Joint Venture Plant in India

J-Power Systems Corp. announced that it has entered into an agreement with an Indian partner Finolex Cables Ltd. to form a joint venture plant in India to manufacture high voltage power cables. The agreement was executed by Kiyoshi Shimojima, President, J-Power Systems and D.K. Chhabria, Managing Director, Finolex Cables at Pune in Maharashtra State, India on December 13, 2007.

The new company will be equipped with state-of-art production facility such as VCV (vertical continuous vulcanizer) to produce high voltage XLPE (cross-linked polyethylene) insulated power cables. Since such cables are installed in the trunk lines of high voltage power transmission grids in the urban area, extreme quality and reliability are required.



▲**The signing ceremony**

D.K. Chhabria, Managing Director, Finolex Cables (Left)
Kiyoshi Shimojima, President, J-Power Systems (Right)

India is expected as one of the world's fast-growing markets for high voltage power cables to cope with increasing power demand. J-Power Systems decided to expand its production capacity by establishing a new plant in such booming India with well-reputed partner Finolex. The new company will be located near Pune and will start production in early 2010. It is provisionally called "Finolex J-Power Systems Private Limited" of which J-Power Systems and Finolex own 51% and 49% respectively.

Finolex J-Power Systems Private Ltd. (provisional) is expected to be established in January 2008, located near Pune in the Indian state of Maharashtra, for manufacture and sale of high voltage power cables, with paid-in capital 780 million rupees. It is expected to commence its production in early 2010 with sales approx. 13 billion yen in 2012.

J-Power Systems Corp. is a Japanese cable manufacturer specialized in high voltage power cables and systems, established in 2001 as an equally owned joint venture between Hitachi Cable, Ltd. and Sumitomo Electric Industries, Ltd., with sales approx. 80 billion yen in 2006.

Finolex Cables Limited is an Indian electric wire and cable manufacturer of various kinds, established in 1956, listed on the Bombay Stock Exchange and others, with sales approx. 10 billion rupees (approx. 30 billion yen) in 2006.

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