

Summary of FY2010 Earnings Results



Electric Power Development Co., Ltd.

April 28, 2011

The English version is a translation of the original Japanese version.
Please note that if there is any discrepancy, the Japanese version will take priority.

The following contains statements that constitute forward-looking statements, plans for the future, management targets, etc. relating to the Company and/or the J-POWER group. These are based on current assumptions of future events, and there exist possibilities that such assumptions are objectively incorrect and actual results may differ from those in the statements as a result of various factors.

Furthermore, information and data other than those concerning the Company and its subsidiaries/affiliates are quoted from public information, and the Company has not verified and will not warrant its accuracy or dependency.

※Display of Figures

Amounts less than 100 million yen and electric power sales volume less than 100 million kWh shown in the consolidated financial data have been rounded down. Consequently, the sum of the individual amounts may not necessarily agree with figures shown in total columns.

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I . Summary of FY2010 Earnings Results

Summary of FY2010 Earnings Results



Comparison with the previous year

- ▶ Revenue increased due mainly to an increase in electricity sales volumes resulting from an increase in demand in the thermal power plants.
- ▶ Both operating income and ordinary income increased due mainly to elimination of impact of lower thermal power utilization in the prior fiscal year, reduction of personnel expenses and improvement in other operating items.
- ▶ Net income decreased due to the positing of extraordinary losses resulting from valuation loss on securities and impairment losses.

	(Unit: billion yen)						
	FY2010		FY2009	Year-on-year change		Comparison with the prior forecast*	
	Prior Forecast* (Apr.-Mar.)	Actual (Apr.-Mar.)	Actual (Apr.-Mar.)	Increase/Decrease	Increase/Decrease (%)	Increase/Decrease	Increase/Decrease (%)
Operating Revenues (Cosolidated)	631.0	635.9	584.4	51.4	8.8%	49	0.8%
	(Non-consolidated)	581.0	583.2	530.4	52.7	9.9%	22
Operating Income (Cosolidated)	62.0	70.5	48.9	21.6	44.2%	85	13.9%
	(Non-consolidated)	55.0	62.6	40.9	21.7	53.1%	76
Ordinary Income (Cosolidated)	49.0	56.3	41.6	14.6	35.1%	73	14.9%
	(Non-consolidated)	36.0	43.1	23.7	19.3	81.5%	71
Net Income (Cosolidated)	20.0	19.5	29.1	-9.5	-32.8%	-4	-2.1%
	(Non-consolidated)	13.0	14.7	16.3	-1.5	-9.7%	17

FY2010
Dividends Forecast

Interim	Year end	Annual
¥35 (Actual)	¥35 (Forecast)	¥70 (Forecast)

* The Prior Earnings Forecast is the revised earnings forecast released on January 31, 2011.

Consolidated: Key Data



	FY2010 Actual (Apr.-Mar.)	FY2009 Actual (Apr.-Mar.)	Year-on-year change	
			Increase/ Decrease	Increase/ Decrease (%)
Electric Power Sales (100 million kWh)	658	572	85	15.0%
Hydroelectric (J-POWER)	102	92	10	11.4%
Thermal (J-POWER)	540	465	75	16.2%
IPP, for PPS, Wind Power	14	14	-0	-1.1%
Operating Revenues (Billion yen)	635.9	584.4	51.4	8.8%
Hydroelectric (J-POWER)	108.1	108.9	-0.8	-0.8%
Thermal (J-POWER)	406.4	349.6	56.7	16.2%
IPP, for PPS, Wind Power	13.7	14.7	-1.0	-7.0%
Transmission	54.3	54.4	-0.0	-0.1%
Other Businesses, etc.	53.2	56.6	-3.3	-6.0%
Hydro: Water supply rate (%)	106%	96%	10 points	—
Thermal: Load factor (%)	78%	68%	10 points	—
Average foreign exchange rate (Interbank rate, yen/US\$)	86	93	-7	—

▶ **Operating Revenues (Hydroelectric)**
-0.8 billion yen

- ✓ Effect of rate reductions for hydroelectric and transmission (from Sep. 2009)
- ✓ Improvement in water supply rate

▶ **Operating Revenues (Thermal)**
+56.7 billion yen

- ✓ Higher load factor
- ✓ Increase due to higher fuel prices

Consolidated: Key Points Regarding FY2010 Earnings Results

(Year-on-Year Comparison – Main Factors for Change)



Operating income (+21.6 billion yen), Ordinary income (+14.6 billion yen)

(Unit: Billion yen)

		Actual	Prior Forecast*	Prior Forecast ⇒ Actual		
				Change in amount	Main factors for changes	
FY2009 Ordinary Income (result)...(a)		41.6	41.6			
Main Factors for Year-on-year Change	Factors for Operating income	Elimination of impact of lower thermal power utilization	+6.0	+6.0	0	
		Decrease in personnel expenses	+5.0	+7.0	-2.0	Increase in allowance for retirement benefit
		Improvement in other operating items	+18.0	+8.5	+9.5	Effects of higher thermal power utilization, decrease in expenses
		Increase in facilities maintenance costs	-1.5	-3.0	+1.5	
		Increase in expenses incurred for measures to address CO ₂ , and technology development	-2.5	-2.5	0	
		Decrease in profits of subsidiaries	-3.5	-3.0	-0.5	
	Non-operating factors	Decrease in equity income	-2.5	-3.0	+0.5	
		Deterioration in other non-operating items	-4.5	-2.5	-2.0	Increase in miscellaneous expenses
	Year-on-year change Total ...(b)		+14.5	+7.5	+7.0	
	FY2010 Ordinary Income...(a)+(b)		56.3	49.0	+7.3	

Net income (-9.5 billion yen)

Increase and decrease factors

- ▶ Extraordinary income and extraordinary losses resulting from sales of securities and valuation losses (-3.7 billion yen)
- ▶ Extraordinary losses resulting from loss on business liquidation in relation to an IPP project in Thailand (Samet Tai sub-district) (-4.5 billion yen)
- ▶ Extraordinary losses resulting from impairment losses on noncurrent assets of Ichihara Power Co., Ltd, and others. (-9.2 billion yen)

* The Prior Forecast is the revised earnings forecast released on January 31, 2011.

Note: Figures for increase/decrease in operating income and ordinary income are rounded off.

Consolidated: Revenue / Expenditure Comparison

(Unit: billion yen)

	FY2010 Actual (Apr.-Mar.)	FY2009 Actual (Apr.-Mar.)	Year-on-year change Increase/ Decrease	Main factors for change
Operating Revenues	635.9	584.4	51.4	
Electric utility	584.4	530.2	54.1	Higher load factor at thermal power plants
Other business	51.5	54.1	-2.6	Drop in coal sales
Operating Expenses	565.3	535.5	29.8	
Electric utility	509.1	478.6	30.4	
Personnel expenses	31.3	36.2	-4.9	Decrease in retirement allowance costs
Fuel cost	214.2	178.0	36.2	Increase in coal consumption
Repair expenses	46.0	44.4	1.5	Increase in repair expenses for thermal power plants
Outsourcing expenses	31.4	32.0	-0.5	
Depreciation / amortization	106.9	116.0	-9.1	Progress in depreciation
Other	79.0	71.6	7.3	Increase in waste treatment expenses
Other businesses	56.2	56.8	-0.6	
Operating Income	70.5	48.9	21.6	
Non-operating Revenues	14.9	18.7	-3.7	
Equity income of affiliates	9.0	11.7	-2.6	Decrease in overseas power generation business
Other	5.8	7.0	-1.1	
Non-operating Expenses	29.2	25.9	3.2	
Interest expenses	22.3	23.0	-0.7	
Other	6.8	2.8	3.9	Increase in miscellaneous expenses
Ordinary Income	56.3	41.6	14.6	

Consolidated: Summary of Results by Segment



(Unit: billion yen)

		FY2010 Actual	FY2009 Actual	Year-on-year change		Main Factors for Change
				Increase/ Decrease	Increase/ Decrease (%)	
Operating Revenues	Electric Power Business	587.5	533.4	54.1	10%	
	Electric Power					
	-Related Businesses	334.6	289.0	45.6	16%	Increase in coal sales by a consolidated subsidiary
	Overseas Businesses	1.8	1.5	0.3	19%	
	Other Businesses	26.1	31.3	-5.1	-17%	Drop in coal sales by the Company
	Subtotal	950.2	855.3	94.9	11%	
	Adjustments*	-314.3	-270.8	-43.4	-16%	
	Figures on Statements of Income	635.9	584.4	51.4	9%	
Ordinary Income	Electric Power Business	41.8	22.3	19.5	87%	
	Electric Power					
	-Related Businesses	10.4	11.5	-1.0	-10%	Decrease in income of a consolidated subsidiary that develops and manages coal mines
	Overseas Businesses	5.0	6.5	-1.4	-22%	Decrease in equity income
	Other Businesses	-1.5	1.6	-3.1	—	Increase in miscellaneous expenses
	Subtotal	55.7	41.9	13.8	33%	
	Adjustments*	0.5	-0.2	0.8	—	
	Figures on Statements of Income	56.3	41.6	14.6	35%	

“Electric Power Business”

Wholesale power business: J-POWER’s hydroelectric, thermal power and transmission business. The majority of consolidated revenue is derived from this segment.

Other electric power businesses: Subsidiaries’ thermal power (IPP, for PPSs) and wind power

“Electric Power-Related Businesses”

These focus on peripheral businesses essential for the operation of power plants and transmission facilities, such as designing, executing, inspecting and maintaining power facilities and importing and transporting coal. Intra-group transactions account for a large portion of this segment, such as Company’s power plant maintenance, coal transportation activities.

“Overseas Businesses”

Overseas power generation businesses, overseas engineering and consulting businesses

“Other Businesses”

Diversified businesses such as telecommunication, environmental and the sale of coal

* Adjustments include transactions among segments.

Consolidated: Cash Flow



- ▶ Free cash flow finished at 26.5 billion yen (a year-on-year decrease of 13.0 billion yen), approximately 20 billion yen up on the initial forecast (approximately 5 billion yen).

(Unit: billion yen)

	FY2010	FY2009	Year-on-year	Main Factors for Change
	Actual	Actual	Increase/ Decrease	
Operating activities (A)	151.2	169.1	-17.9	Increase in inventories (coals) and accounts receivable-trade (electricity revenues), etc.
Investing activities (B)	-124.6	-129.5	4.8	Decrease in capital expenditure
Financing activities	-29.1	-30.3	1.1	Increase in redemption of corporate bonds and decrease in issue of commercial paper
Free Cash Flow (A+B)	26.5	39.6	-13.0	

Consolidated: Balance Sheet



- ▶ Noncurrent assets decreased from the end of the previous fiscal year due mainly to progress in depreciation, despite capital investment in Ohma Nuclear Power Plant. Total assets decreased by 11.6 billion yen.
- ▶ Shareholders' equity ratio rose from the end of fiscal 2009. (20.4% ⇒ 20.7%)

(Unit: billion yen)

	FY2010 Actual (End of FY)	FY2009 Actual (End of FY)	Change from prior year end Increase/ Decrease	Main Factors for Change	
Assets	Noncurrent assets	1,842.6	1,879.8	-37.1	
	Electric utility plant and equipment	1,178.4	1,226.6	-48.1	Mainly due to progress in depreciation
	Other noncurrent assets	64.9	49.6	15.3	Commencement of operation of coal mines
	Construction in progress	301.6	309.7	-8.0	Increase in Ohma Nuclear, transfer to electric utility plant and equipment, etc.
	Nuclear fuel	46.6	38.6	8.0	Procurement of fuel assembly
	Investments and other assets	250.8	255.1	-4.2	
	Current assets	169.7	144.2	25.4	Increase in accounts receivable-trade (electricity revenues) and inventories (coals)
Total	2,012.3	2,024.0	-11.6		
Liabilities	Interest-bearing debt	1,429.0	1,452.5	-23.4	Decrease in commercial paper and corporate bonds
	Others	168.4	156.5	11.8	Increase in accrued taxes, booking of asset retirement obligations
	Total	1,597.4	1,609.0	-11.6	
Net Assets	Minority interests	-0.8	2.3	-3.1	
	Shareholders' equity	415.7	412.6	3.0	
	Total	414.8	414.9	-0.0	
Grand Total	2,012.3	2,024.0	-11.6		
D/E ratio (x)	3.4	3.5			
Shareholders' equity ratio	20.7%	20.4%			

II . Summary of FY2011 Earnings Forecast

Summary of FY2011 Earnings Forecast



- ▶ Operating income and ordinary income are expected to decline due to increase in personnel expenses and elimination of impact of higher thermal power utilization and improvement of water supply rate in the previous fiscal year.
- ▶ Net income is forecast to increase due to elimination of extraordinary losses.

(Unit: billion yen)

		FY2011 Forecast	FY2010 Actual	Comparison with FY2010 result	
				Increase/ Decrease	Increase/ Decrease (%)
Operating Revenues	(Consolidated)	642.0	635.9	6.0	0.9%
	(Non-consolidated)	601.0	583.2	17.7	3.0%
Operating Income	(Consolidated)	48.0	70.5	-22.5	-32.0%
	(Non-consolidated)	42.0	62.6	-20.6	-33.0%
Ordinary Income	(Consolidated)	40.0	56.3	-16.3	-29.0%
	(Non-consolidated)	27.0	43.1	-16.1	-37.5%
Net Income	(Consolidated)	26.0	19.5	6.4	32.8%
	(Non-consolidated)	17.0	14.7	2.2	15.0%

FY2011
Dividends Forecast

Interim	Year end	Annual
¥35 (Forecast)	¥35 (Forecast)	¥70 (Forecast)

Consolidated: Key Data



	FY2011	FY2010	Year-on-year change	
	Forecast (Apr.-Mar.)	Actual (Apr.-Mar.)	Increase/ Decrease	Increase/ Decrease (%)
Electric Power Sales (100 million kWh)	608	658	-49	-8%
Hydroelectric (J-POWER) (Included)	95	102	-7	-7%
Thermal (J-POWER) (Included)	500	540	-40	-8%
Operating Revenues (Billion yen)	642.0	635.9	6.0	1%
Hydroelectric (J-POWER) (Included)	107.0	108.1	-1.1	-1%
Thermal (J-POWER) (Included)	423.0	406.4	16.5	4%
Hydro: Water supply rate (%)	100%	106%	-6 points	—
Thermal: Load factor (%)	72%	78%	-6 points	—
Average foreign exchange rate (Interbank rate, yen/US\$)	Approx.85	86	-Approx.1	—

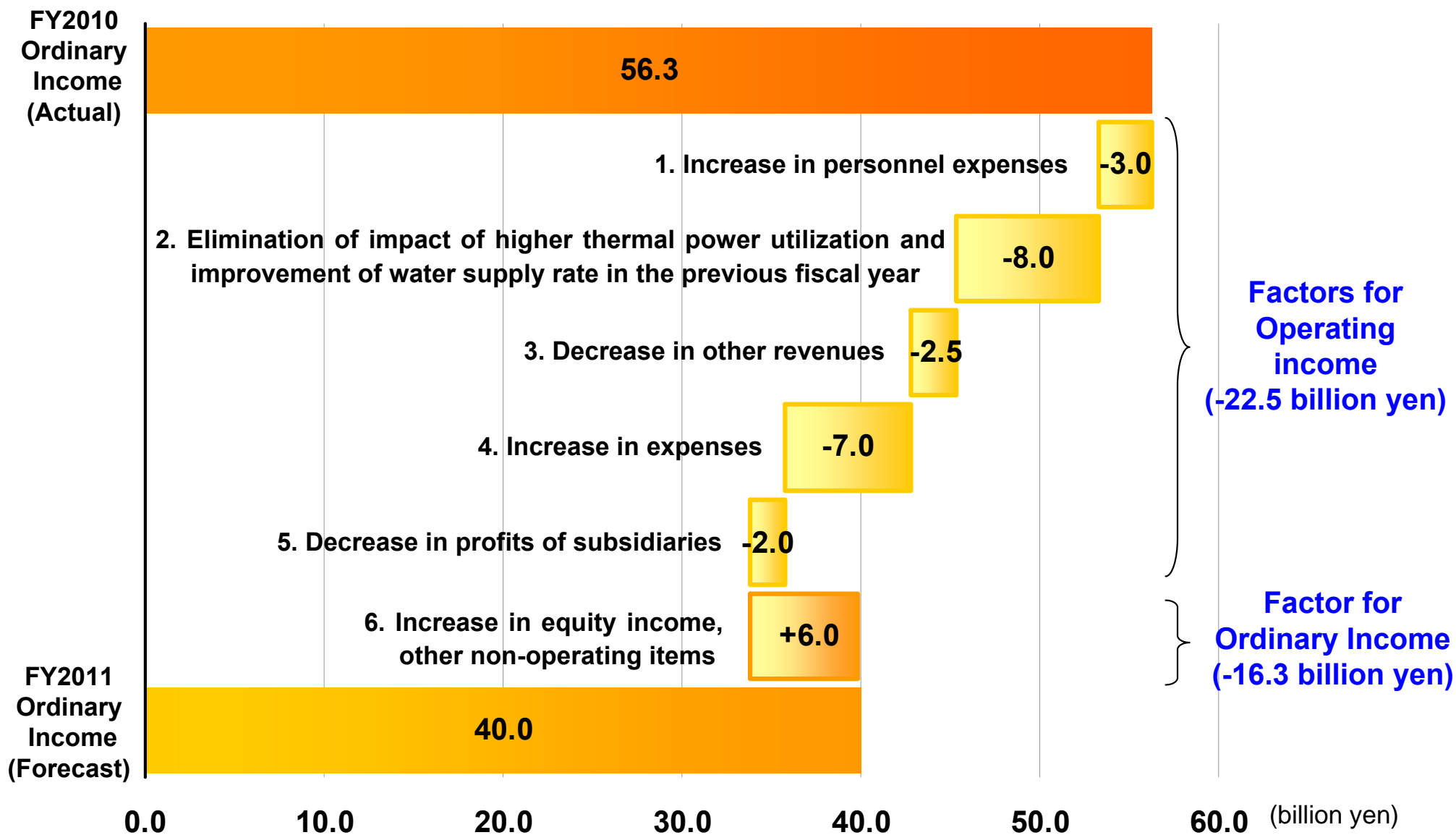
▶ **Operating Revenues (Hydroelectric)**
-1.1 billion yen

✓ High water supply rate → Average water supply rate

▶ **Operating Revenues (Thermal)**
+16.5 billion yen

✓ Increase due to higher fuel prices

Consolidated: Key Points Regarding FY2011 Earnings Forecast (Year-on-Year Comparison – Main Factors for Change)



- ▶ As of March 31, 2011, power plants generating 3,738MW (on an equity basis) are in operation in 6 countries/region.
- ▶ Equity income in FY2011 is expected to be approximately 10 billion yen.

Overview in FY2010

▶ United States

Jun. 2010 Commencement of Operation of Orange Grove Power Station (96MW)

▶ Thailand

July. 2010 Regarding the IPP business (1,600MW) at the Samet Tai site, the Thai government decided on a guideline to change the planned construction location for the power plant and to revise the Power Purchase Agreement (PPA).

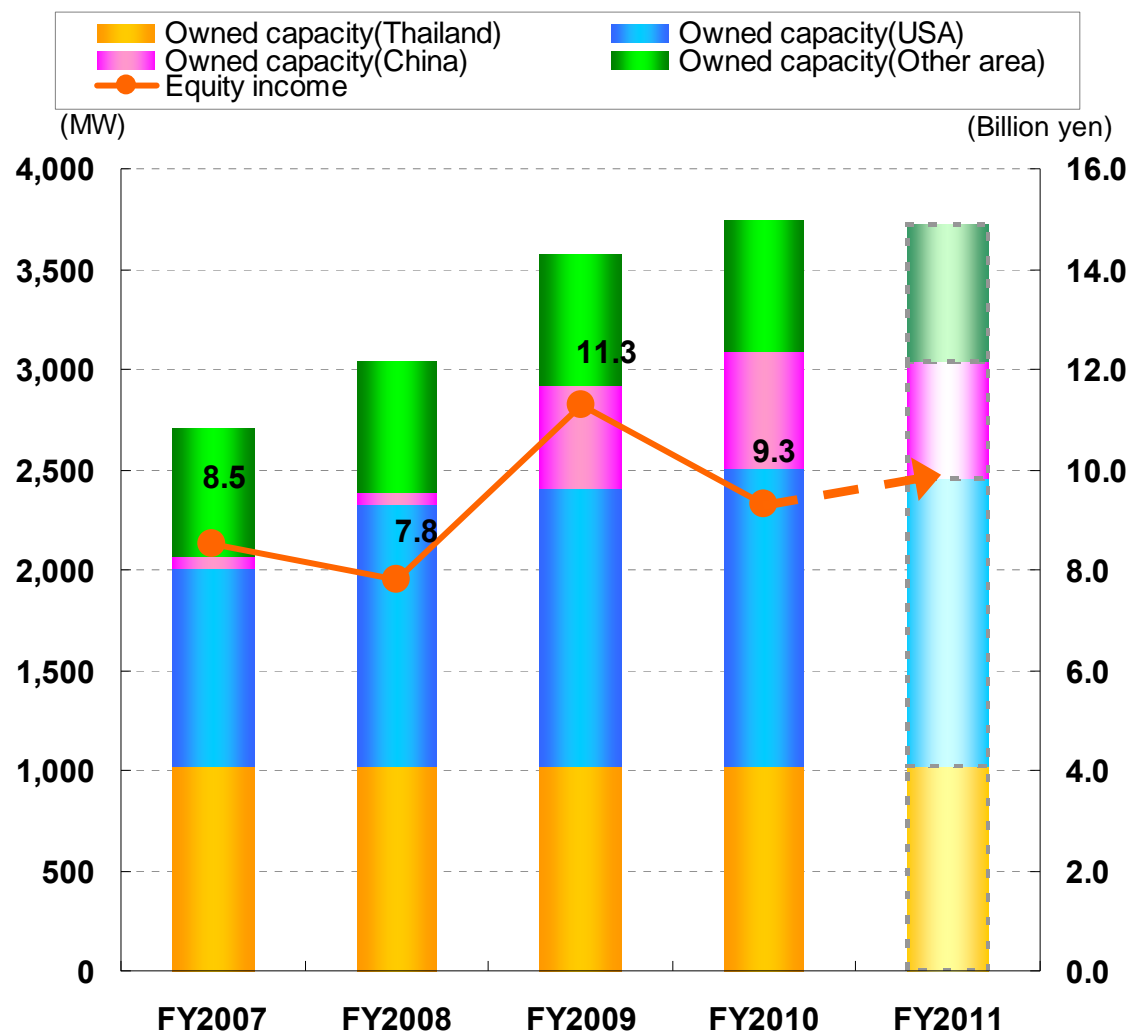
Oct. 2010 EPC and loan agreements signed for 7 SPP projects (780MW in total), construction to proceed in stages

Exchange rates at the end of terms

	Yen/USD	Yen/THB
FY2009	¥92	¥2.8
FY2010	¥81	¥2.7
FY2011(Forecast)	¥85	¥2.8

Capacity of Overseas Facilities in Operation

(On an equity basis) and Equity Income

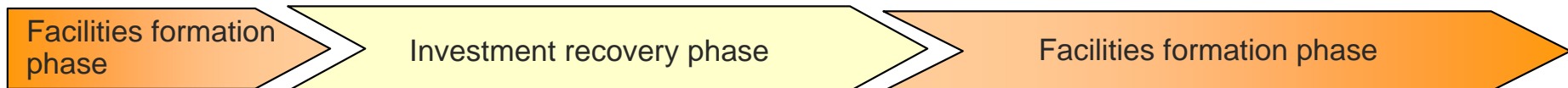
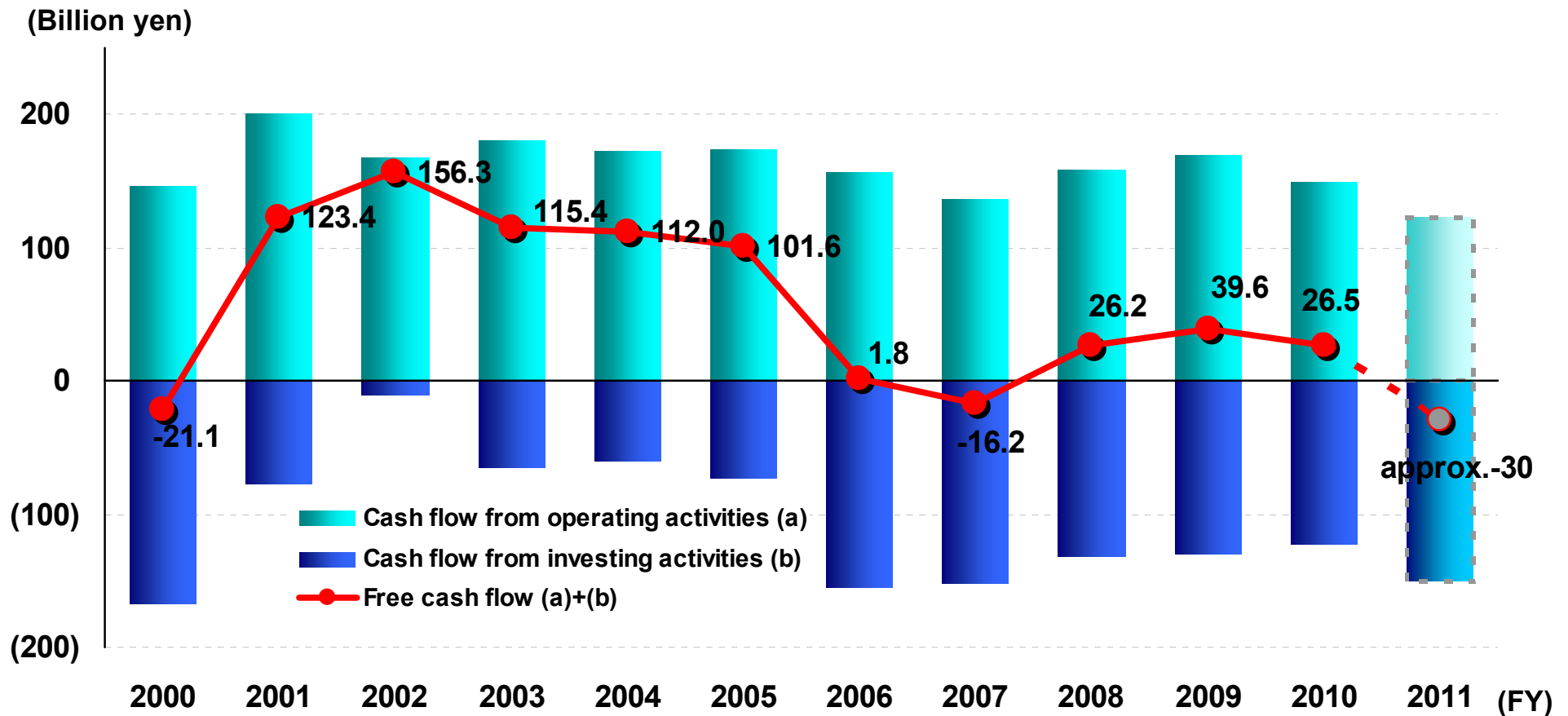


* Figures in FY2011 are forecasts.

Consolidated: Cash Flow Forecast



▶ Free cash flow in FY2011 is forecast to go negative territory at approximately -30 billion yen, due mainly to an increase in investments in overseas power generation business.



* Figures in FY2011 are forecasts.



Electric Power Development Co., Ltd.

<http://www.jpowers.co.jp/>