J-POWER

FY2010 Group Management Plan

(FY2008-2012　Management Targets)

Electric Power Development Co., Ltd.

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.

J-POWER Group

- A wholesale electric power company responsible for **about 7% of Japan's electric power supply**, we own and operate power generation facilities with an output of about 17GW consisting mainly of technologically advanced, highly efficient hydropower and coal-fired thermal power.
- As a utility company with 2,400km of transmission lines and frequency converter stations, we play **a vital role in linking the regions of Japan and ensuring a stable power supply.**
- We are active participants in **global business development** including power generation businesses and coal mining projects overseas.
- **"We aim to ensure constant supplies of energy to contribute to the sustainable development of Japan and the rest of the world"** is the corporate philosophy and the starting point of J-POWER's Corporate Social Responsibility (CSR).

In Our Group Management Plan for FY2009…

In order to pursue sustainable growth amid the current severe business environment, which is seeing a decline in demand for electric power and other adverse effects due to the long-standing recession, the following two tasks have been established, and efforts redoubled to achieve these goals.

- Strengthening our corporate infrastructure against uncertainty
- Commitment to long-term global warming measures

In Our Group Management Plan for FY2010…

- This marks the third year of our five-year plan, exactly the mid-point. The pace of the recovery is slow, and significant growth in demand for electric power cannot be still expected.
- As the pace of efforts to address global environmental issues has become more uncertain, J-POWER has redoubled its efforts to stay ahead of the changing times.
- As the Company is faced with previously unseen complexities and an increasingly severe business environment, we will take strength from our track record to this point and will strive for further growth.

Contents

To Our Stakeholders

In the global economy, although a partial trend toward recovery has appeared primarily for demand in Asia, the course of recovery in Japan, Europe and the United States remains uncertain. In addition, discussions concerning a new international framework for measures to combat global warming, which will have a major impact on long-term, worldwide economic activity, have led to greater confusion, as no effective agreement was reached at the Copenhagen Conference at the end of last year.

Against this backdrop, although electric power demand Japan seems finally to have emerged from its worst phase, industrial demand showed a striking decline from FY2008, and it is projected that it will take several years for nationwide demand to return to FY2007 levels. J-POWER's electric power sales in FY2009 have also been affected by these conditions, whilst a decline in load factor caused by problems at several thermal power facilities led to an increase in maintenance costs associated with those problems. Inevitably, these factors together resulted in consolidated ordinary income falling short of the initial target.

Given such challenging management conditions, we established the following two issues in the FY2010 Group Management Plan as key priorities, with the goal of solidifying our position in the near term, and aiming ourselves at the challenges of the future.

The first issue is to address the transition to a low-carbon society from a long-term perspective. Since we initially formulated our corporate philosophy in 1998, we have regarded taking action to address the problem of global warming as our primary mission as an energy company, declaring our intent to "contribute to the sustainable development of Japan and the rest of the world" through the supply of energy. Although we find ourselves in the midst of a confused debate concerning a new international framework, we have kept a firm eye on the significant shift toward a low-carbon society, and will continue to identify new business opportunities amongst the pioneering initiatives backed by unflagging technological innovation. These efforts will lead to our sustainable growth as a company.

The second issue is to ensure plant reliability and thoroughly reinforce our business operating infrastructure. The stable operation of electric power facilities, including electric power generation plants, is vital for ensuring stable earnings in the domestic wholesale power business, which is the pillar of the Group's earnings base. It is also essential for fulfilling our responsibility to ensure a stable supply of electric power to our customers. Given the increasing number of incidents in recent years associated with the ageing of our power facilities, we must devote maximum effort to preventative maintenance by enhancing our diagnostic capabilities. By optimizing facilities' maintenance from both a long-term and economic perspective, simultaneously ensuring the reliability and cost competitiveness of those facilities, we will continue to strengthen our operating base.

This year marks the mid-point of the 5-year management plan that we formulated in 2008. However, several factors have combined to force us to lower our consolidated ordinary income target for FY2010. These include a delay in the recovery of electric power demand in Japan and overseas, an increase in maintenance costs aimed at maintaining the reliability of our facilities, advance investments in research related to the development of high-efficiency coal-fired thermal power technology to support low-carbon energy use.

Nevertheless, our direction remains unchanged. Despite these challenging times, we will hold fast to the corporate philosophy that marked our beginning, that of "ensuring constant supplies of energy to contribute to the sustainable development of Japan and the rest of the world". By promoting the five business strategies advocated in the medium-term management plan one step at a time, we will continue to aim for long-term growth.

We look forward to your continued support in these endeavors.

President

北村雅良

Ⅰ. Understanding Management Issues Based on Our Performance and the Business Environment

Understanding the External Environment

Increasing market uncertainty

- Sluggish demand for electric power domestically and overseas
  - The pace of the world economy's rebound is slow.
  - Japan's electric power demand primarily depends on industrial demand and the outlook for recovery is unclear
  - While some believe that demand for electric power is likely to increase over the medium to long-term due to lifestyle factors, changes in the structure of industry, and global warming issues, it is difficult to project an increase in demand due to the chief influences of a declining population and increasing energy efficiency.

- Trends in resource prices
  - Resource prices have begun to rise, staging a turnaround from the trend of decline in the face of strong demand from China, India, and other countries.
  - The trend of demand is towards tightness over the long-term. Steeply rising prices due to restriction of resource volumes are a possibility for the future.

Global Warming

- We have entered the third year of the first round of the Kyoto protocol and the Copenhagen Conference, COP 15, was held at the end of last year, but did not succeed in outlining the new international framework targeted by the post-Kyoto protocol.
- Japan, on the other hand, is moving forward with considering various policies with the goal of reducing emissions by 25% from 1990 levels by 2020.
- The rate of change towards a low-carbon society is accelerating domestically and overseas.

Uncertainty and lack of clarity in the external environment surrounding our business is increasing

Principal Areas of Performance in FY2009

Five Key Initiatives (Growth Strategy Action Plan)

Steady Growth in Power Generation Facilities	• Isogo New No. 2 (600MW): Brought online in July 2009 • Ohma Nuclear Power Station (1,383MW; scheduled to commence operations in Nov. 2014): Construction work progressing smoothly (Percent completed: 8.2% (as of Mar. 20, 2010))
Technology Innovation and New Project Development	• Large-scale demonstration test of oxygen-blown coal gasification integrated gas combined cycle (IGCC) power plant technology & CO2 capture & storage technology (170MW class): New company, Osaki CoolGen Corporation, established with Chugoku Electric Power Co. Ltd,.
Enhancing the Value of Business Assets	• Hydroelectric Power: Comprehensive upgrade of hydroelectric turbine generators carried out. (Nukabira No. 1 completed; Tagokura No. 3 in progress) • Onikobe geothermal power plant: Construction to add capacity completed
Global Business Expansion	• China: Acquired 7% interest in Gemeng Int'l. Energy Co., Ltd. (4,374MW) • U.S.: Acquired equity interest of two gas-fired power plants (total output of 160MW) in Long Island, NY • Thailand: Concluded PPAs for seven SPP projects (total output of 780MW)
Power Generation as the Core of a Diversified Business	• Wind Power Generation: Acquired three wind power generation plants in Japan • Biomass: Established two fuel manufacturing companies (sewage sludge, unused waste timber from forests)

Plant output (non-consolidated)*1

Hydroelectric power: 8,561MW
Thermal power: 8,427MW
Total: 16,988MW
(Capacity added this FY: 603MW)

Output of overseas power generation businesses (on an equity basis)*1*2

3,574MW
(Capacity added this FY: 532MW)

Wind power generation plant output*1*3

Domestic: 271MW (15 sites)
Overseas: 48MW (1 site)
Total: 319MW (16 sites)
(Capacity added this FY: 15MW)

Share of wind power facilities: No. 3 domestically*4

- **The outlook for a recovery in electric power demand is unclear both domestically and internationally. The business environment is rapidly changing. While we have steadily produced results in the five key areas in which initiatives have been undertaken in FY2009, the initial forecast for consolidated ordinary income was not achieved because the lower load factor of our thermal power plants were down due to equipment problems, a decline in demand for electric power, and an increase in maintenance costs and so on.**

*1 As of March 31, 2010

*2 Plant output of projects we are participating in multiplied by our equity interest

*3 Percentage investment not taken into account

*3 Calculated by J-POWER from Japan Wind Power Association data as of December 31, 2009

Issues on the Way to Sustainable Growth

From external environmental trends

→From p. 6

- The global economic recovery is slow.
- Global warming: Conversion to a low carbon society is accelerating in order to achieve the medium-term goal of a 25% reduction by 2020.
- Power demand outlook: Slow growth and unclear outlook
- J-POWER must secure its business position by taking preemptive action to achieve a low-carbon society.
- While the petrochemical fuel market is undergoing commoditization, the balance of worldwide supply and demand is tightening, resulting in an upward trend in prices.

From FY2009 results

→From p. 7

- We will work to strengthen the operating infrastructure of our business whilst also working to ensure plant reliability in order to achieve a stable supply of electric power and ensure stable profits.

Key Issues Amid the Increasingly Difficult Business Environment

- ***Action 1: Addressing the transition to a low-carbon society from a long-term perspective*** *(→p. 9)*
  - ***→Seek out new business opportunities as we take preemptive action to exercise control over the issues.***
- ***Action 2: Strengthen the operating infrastructure of our business while also working to ensure plant reliability*** *(→p. 10)*
  - ***→Work towards the dual goals of achieving a stable supply of electric power and enhancing competitiveness.***

Action 1: Address the Transition to a Low-Carbon Society from a Long-term Perspective

✓**Anticipate external environmental changes that have occurred up to now and that will occur and respond to the changes that will occur as the transition to low-carbon progresses**

Initiatives up to this point

- Improved the function of ageing hydroelectric power generation equipment / Efficiency improved through comprehensive upgrade.
- Developed oxygen-blown coal gasification Integrated Gas Combined Cycle (IGCC) power plant technology / Reduced CO_2 emissions by improving power generation efficiency.
- Made progress on the Ohma Nuclear Power Plant / Plays an important role in the nuclear fuel cycle whilst also providing a CO_2-free power source.
- Encouraged the development of renewable energy sources such as wind power, geothermal, and solar power / Promoted CO_2-free power sources.
- Introduced and expanded a combined biomass/coal-fired power plant / Reduced CO_2 through combined combustion of miscellaneous waste, sewer sludge and unused waste lumber from forests in our coal-fired power plants.

From this point onward…. in addition to the measures taken up to this point

- Improve the efficiency of ageing thermal power plants / Improve efficiency through application of the latest technology.
- Advance investigative research into next-generation coal-fired power generation through technological innovation / Work to achieve drastic improvement in efficiency.
- Engage in initiatives to develop the technology for CO_2 recovery and storage.
- Contribute to the reduction of CO2 worldwide by employing high-efficiency power generation technology overseas.

By continuing to take anticipatory action....

- **Taking definitive action to secure the position of our businesses amid the major transition to a low-carbon society will lead to sustainable growth as a company.**
- **We will seek out new business opportunities as we engage in efforts to exercise control over issues.**

Action 2: Ensure Plant Reliability and Work to Reinforce Our Business Operating Infrastructure

- Achieve steady results in each area as we undertake the “Five Key Approaches”

- Move forward with current initiatives to achieve sustainable growth and anticipate the rapidly changing business environment.
- Work to strengthen our business operational infrastructure whilst simultaneously ensuring the reliability of plants in order to achieve stable profits.

- **Seek the optimal balance between reliability and cost**
  - Employ investment in renovation
  - Use ingenuity in procuring resources, equipment, and materials
  - Improve maintenance methods
  - Develop human resources who are cognizant of the importance of passing on technology
- Ensure the profitability of new assets
- Improve financial soundness to increase ability to endure change

Strive to optimize plant maintenance from a long-term, economic perspective

Meeting Current Challenges and Beyond

✓ Create New Electric Power Business, Developed Globally

Geographic expansion

Expand our core business overseas, primarily in Asia, to preempt the risk of declining demand for electric power domestically.

Global Business Expansion

New Electric Power Business, Developed Globally

Business opportunities in coal-fired power generation overseas

Develop business in coal trade (Coal-mine development, coal sales, etc.)

Develop highly efficient power generation technology in Japan, test it, and move forward with construction & operation of an actual project, then utilize those results overseas to reduce global CO_2.

Renewal of coal-fired power generation in Japan

Domestic Wholesale Electric Power Business

- Large-scale hydroelectric power generation
- Small to medium-sized hydroelectric generation, pumped storage generation
- High-efficiency coal-fired power generation
- Extensive expertise in operating power plants
- Power transmission/ transforming
- Nuclear power

Wind power, geothermal, biomass, and other renewable energy

Utilize our strengths in the wholesale electric business, our core business, to expand the scope of new business in anticipation of the transition to a low-carbon society.

Technological innovation and business models capable of handling the transition to a low-carbon society

Business sectors

New Business Model Based on the Transition to Low Carbon

✓**Reduce global CO_2 by developing the latest high-efficiency electric power generation technology, testing it, and moving forward with construction and operation of a plant domestically, then utilizing that success mainly in Asia.**

Japan

Pursue the renewal of coal-fired power

Develop even more highly efficient power generation technology → Develop the latest in high-efficiency power generation technology and disseminate it

Asia, etc.

Pursue business opportunities in coal-fired power generation

Actively employ high-efficiency power generation technology → Reduce the amount of coal used
Reduce CO_2 emissions

Achieve the Twin Goals of Growth in Japan & Asia and Transitioning to Low Carbon & Improving the Environment

II. Business Strategies for Achieving Goals

(1) Steady Growth in Power Generation Facilities

- ✓**Ohma Nuclear Power is a major project that will contribute to strengthening our business infrastructure.**
- ✓**Plant structure to be reinforced by incorporating a CO_2-free electric power source.**

Ohma Nuclear Power Plant (Aomori Prefecture)

- J-POWER's largest power generation unit (1,383MW)
- As a power plant emitting almost no CO_2 during the power generation stage, Ohma will be even more important in terms of global warming.
- It is the largest reactor using plutonium in Japan as a full mixed oxide fuel (MOX) advanced boiling water reactor (ABWR)*, and will play an important role in the nuclear fuel cycle. (Plutonium transfer contract concluded in 2009)
- Move forward with construction, making safety assurance the number one priority with the goal of commencing operation in November 2014.
- This will be the first nuclear power plant for J-POWER so we will steadily move forward with building the infrastructure.

(*) Full MOX-ABWR: advanced boiling water reactor in which uranium/plutonium mixed oxide fuel (MOX) can be used for the whole reactor core.

Ohma Trunk Transmission lines (Aomori Prefecture)

- Important transmission lines that transmit electricity from the Ohma Nuclear Power Plant (total line: 61 km)
- Main construction has been completed. We are focusing on the absolute safety of the plant towards receiving transmission electricity.

Continue to actively promote new hydroelectric and thermal facilities after Ohma.

(2) Technology Innovation and New Project Development

✓**Continue to make tireless efforts to improve generation efficiency and reduce carbon.**

Mid-term measures

Renew Ageing Coal-fired Power Plants

…Attempt to reduce the CO_2 unit emissions intensities through the adoption of the highest level technology, starting with ultra-supercritical pressure power generation technology, and mixed burning of biomass fuels

Improve Function of Ageing Hydro Power Plants

…Expand the function of hydro power plants as a CO_2-free power source by upgrading facilities to improve efficiency at existing hydro power plants.

Isogo Power Plant, boasting the world's foremost thermal efficiency & environmental design

Long-term measures

Achieve Next-Generation Coal-fired Power with New Technology

Osaki CoolGen Corporation was established in Hiroshima Prefecture as a joint venture with Chugoku Electric Power Co. for large-scale demonstration test of the oxygen-blown gasification Integrated Gas Combined Cycle (IGCC) technology . An environmental assessment was conducted in August 2009. Construction will begin in March 2013 with the goal of beginning demonstration test in March 2017.

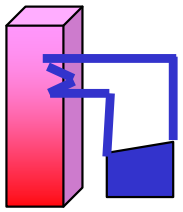
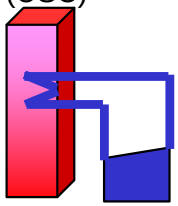
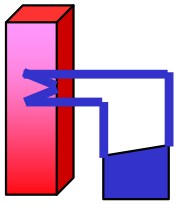
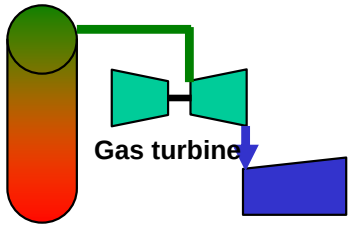
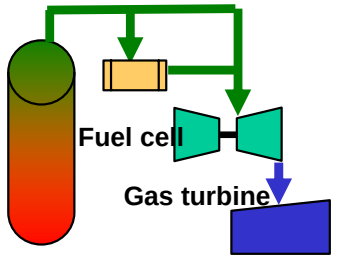
The company will work on investigative research related to the development of CO2 recovery technology at the company's site and in Australia, and the joint transport and storage of CO2 with related organizations.

Developing Future Technology for a Coal-fired High-efficiency Electric Power Plant

- Pulverized coal-fired generation (PCF): A method of power generation in which coal is burned in the boiler and the high-temperature, high-pressure steam created is fed into a steam turbine. This is the mainstay of coal-fired power generation at present. Efficiency is improved by raising the temperature and pressure conditions for the steam. We are currently working on development of a 700℃-class A-USC (Advanced Ultra Super-Critical).
- Coal gasification combined cycle: Integrated gasification combined cycle (IGCC) is a method of power generation in which a furnace converts coal into gas and then generates power through a combination of a gas turbine (GT) and a steam turbine (ST). Higher efficiency power generation than power generation using pulverized coal is possible. Efficiency is improved by raising the temperature of the gas at the entrance to the gas turbine.
- Integrated gasification fuel cell combined cycle: IGFC is a method of triple cycle power generation in which fuel cells are combined with IGCC. It can generate power with even higher efficiency that ICCC.
- Our long-term goal is to achieve zero-emissions coal-fired power plant by incorporating technology developed and commercialized for carbon capture and storage (CCS).

If mixed combustion of biomass is also incorporated

CO2 emission + ▼1-10%

Pulverized Coal-fired	**①Pulverized Coal-fired**		**② Integrated Coal Gasification Combined Cycle (1500℃-class IGCC)**	**③ Integrated Coal Gasification Fuel Cell Combined Cycle (IGFC)**
Aging Thermal (Sub-Critical)	Latest coal-fired (USC)	700℃-class A-USC		
				
Generation End : 38%(HHV) Transmission end : 36%(HHV)	Generating end: 43%(HHV) Transmission end: 41%(HHV)	Generating end: 48% Transmission end: 46% CO2 reduction: about▼11%	Generating end: 51- 53% Transmission end: 46 – 48% CO2 reduction: about▼13%	Generating end: at least 60% Transmission end: at least 55% CO2 reduction: at least about▼25%

Update aged power plant to USC

CO_2 emissions ▼17%

Our long-term goal is to achieve zero emission coal-fired by combining pulverized coal-fired, IGCC, etc., and CCS.

Further reduce CO2 emissions by developing new technology

+▼11% **+▼13%** **+▼25%**

(3) Enhancing the Value of Business Assets

✓A stable supply of electric power is the bedrock of J-POWER's business.
✓Optimization of plant safety from a long-term, economic perspective

●Aim to increase power output and electricity produced through full renovation of water turbine generators (Nukabira Power Plant No. 1 completed and Tagokura Power Plant No. 3 under construction)

●Aim to improve efficiency by renovating the high and intermediate pressure rotors at the Matsushima Power Plant

After equipment failure reduced thermal load factor in FY2009, we accomplished the twin tasks of improving competitiveness and ensuring plant reliability by optimizing plant maintenance from a long-term, economic perspective. Our goal in doing so is to raise the value of our business assets.

● The laying of the Kitahon HVDC link cable secured stable, long-term linked power transmission and telecommunication facilities between Hokkaido and Honshu.

Plant Maintenance Capabilities

●Our capability in plant maintenance for generation, transmission, and transformer equipment is backed by our extensive expertise and constitutes one of our core competencies.

We will strive to refine our capabilities through various efforts to invest in upgrade (to reduce long-term maintenance costs, improve generator performance through upgrade, etc.), developing technology in-house, work to procure resources and materials, and improve maintenance methods.

(4) Global Business Expansion

✓**Expectations as a driver of growth for the Group as a whole & further expansion of overseas operations as the second major area of J-POWER's business**

✓**Steady development of the key markets in Thailand, China, and the U.S. .**
✓**Simultaneously working aggressively to develop new markets.**

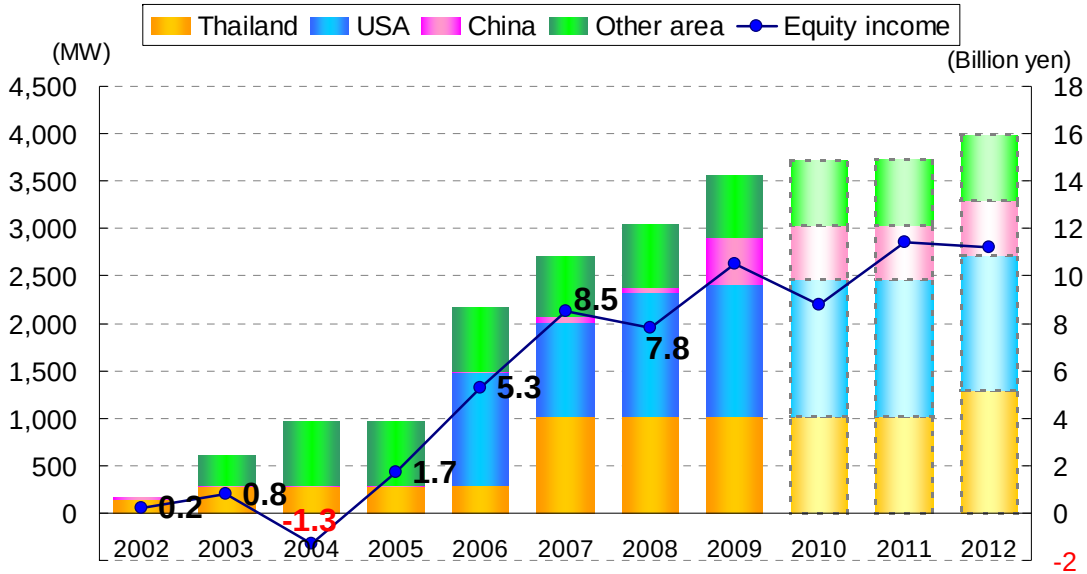
Steady execution of projects in progress

- Utilize the expertise and human resources cultivated through the domestic power generation business.
- Concentrate the allocation of management resources on solid execution of the IPP project in Thailand.
- Implement appropriate project management with the goal of further increasing profitability.

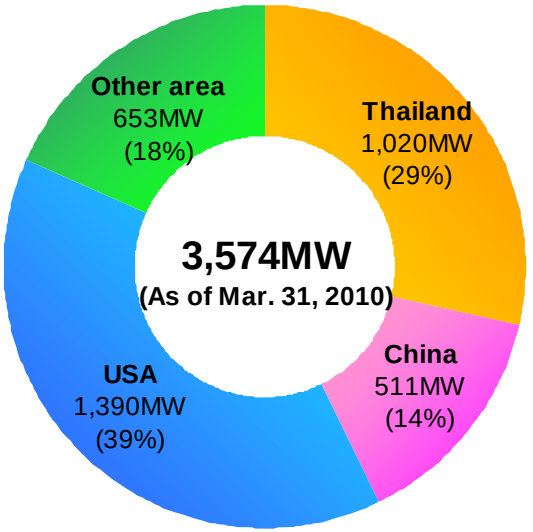
Expansion of business strategies

- Pursue growth potential in the Asian market as a whole.
- Contribute to reduction in CO_2 and to economic growth, in Japan and Asia, by expanding the latest clean coal technology mainly to Asia.
- Formulate a business portfolio which takes asset liquidity into consideration.

Capacity of overseas facilities (in operation, on an equity basis) *1 / equity income



Capacity of overseas facilities by region (in operation, on an equity basis) *1



*1 Multiplied by our percentage interest in the all projects in which we are participating

* Output for 2010 and beyond is forecast; equity income after FY2009 forecast

(5) Power Generation as the Core of a Diversified Business

✓ **Place greater priority on wind power generation and the utilization of biomass, which contribute to limiting CO2 emissions**

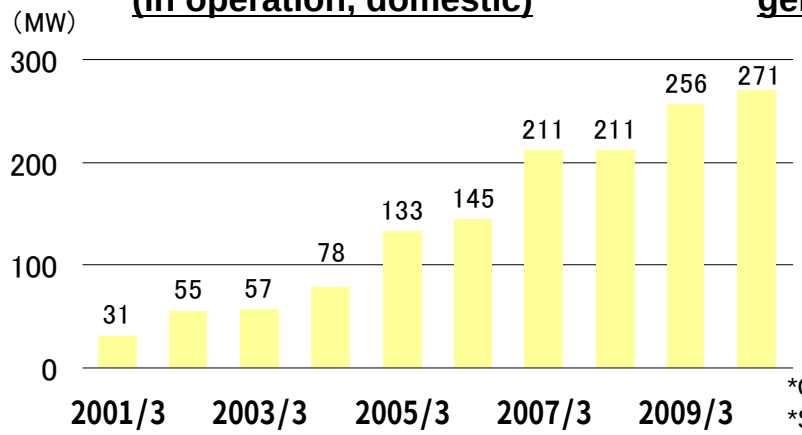
Electric power value chain
- Market trading of electricity
- Coal business
- Coal mine development projects

Environmental Value
- **Wind power generation**
- **Biomass use**
- Redevelopment of hydroelectric power plants
- Overseas expansion of energy conservation and high efficiency technology

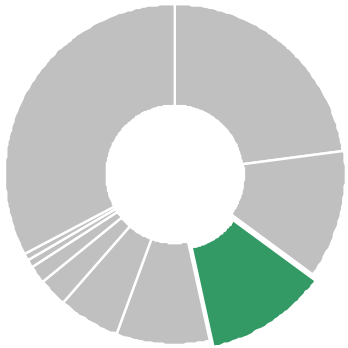
Engineering expertise
- Dry type desulfurization – denitrification system (ReACT)
- Comprehensive consulting on the development and utilization of subterranean space

Long-term business management skill
- Waterworks projects
- Construction and management of sewage treatment facilities

Wind power generation capacity (in operation, domestic)



Share of wind power generation capacity in Japan



J-POWER 12%

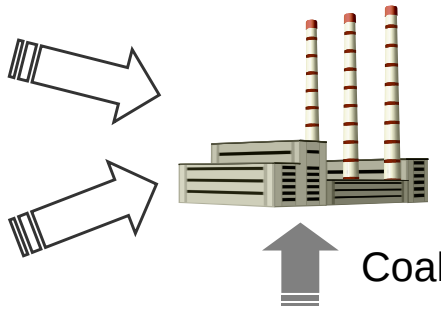
*Output of equity method as of December 31, 2009
*Source : JWPA data

➔**Target aggressive expansion of scale over the medium-term while focusing on political trends.**

Conversion to fuel

General waste
Sewage sludge, etc.
Waste wood, etc.
Unused waste lumber form forests

Coal-fired power plant



➔**Enhance biomass cofiring in our coal-fired power plants**

Five-year Target Progress Update

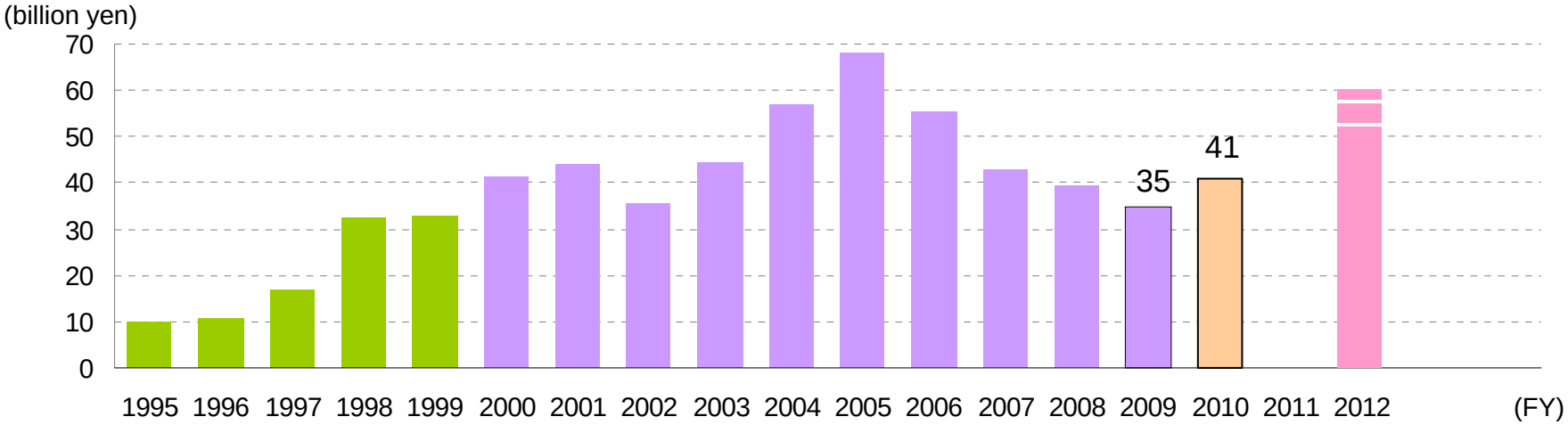
Consolidated Ordinary Income Forecast

FY2010: ¥41 billion or more FY2012: ¥60 billion

- We expect difficulty in reaching our target of ¥50 billion in consolidated ordinary income for FY2010 due to uncertainty as regards a rebound for electric power demand, increased maintenance costs to maintain plant reliability, promotion of development of high efficiency coal-fired power generation technology as a means of redoubling efforts to transition to low carbon, and expenses incurred for measures to address CO_2, among other factors, and have therefore revised our forecast downward to ¥41 billion.
- We will reconsider our consolidated ordinary income target for FY2012 (¥60 billion) in our FY2011 management plan based on initiatives to be undertaken in FY2010 and the trends for the many uncertain factors such as projected demand, and measures taken to address global warming. Our projection for FY2009 ROA, an management index which tracks such conditions, is 1.7%, and we will reconsider what level to manage when formulating FY2011management plan.

Actions to Address in FY2011

- **Taking preemptive measures to address the widespread move towards a low-carbon society**
- **Strengthening the operational foundation of the business, beginning with ensuring the reliability of plant facilities**
- **Making steady progress toward building new facilities, both domestically and overseas**



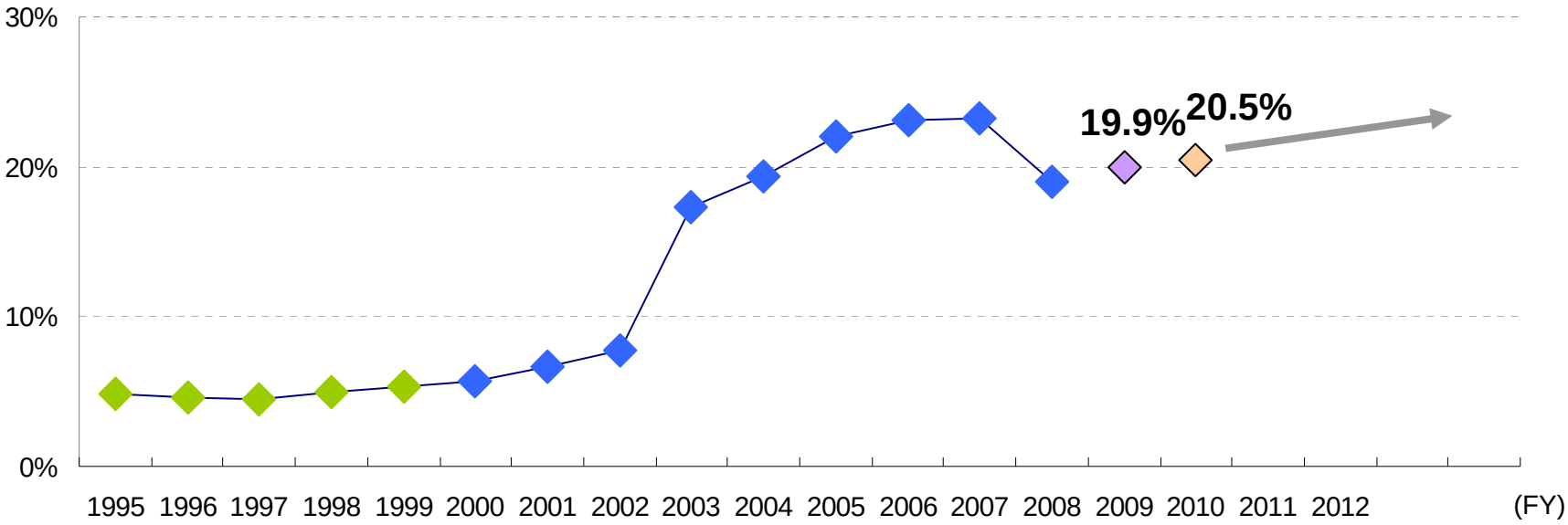
Parent results up to FY1999 and consolidated results from FY2000 onward. According to the third quarter forecast for FY2009 ordinary income.

Five-year Target Progress Update

Consolidated Shareholders' Equity Ratio Forecast

The end of FY2010: 20.5%

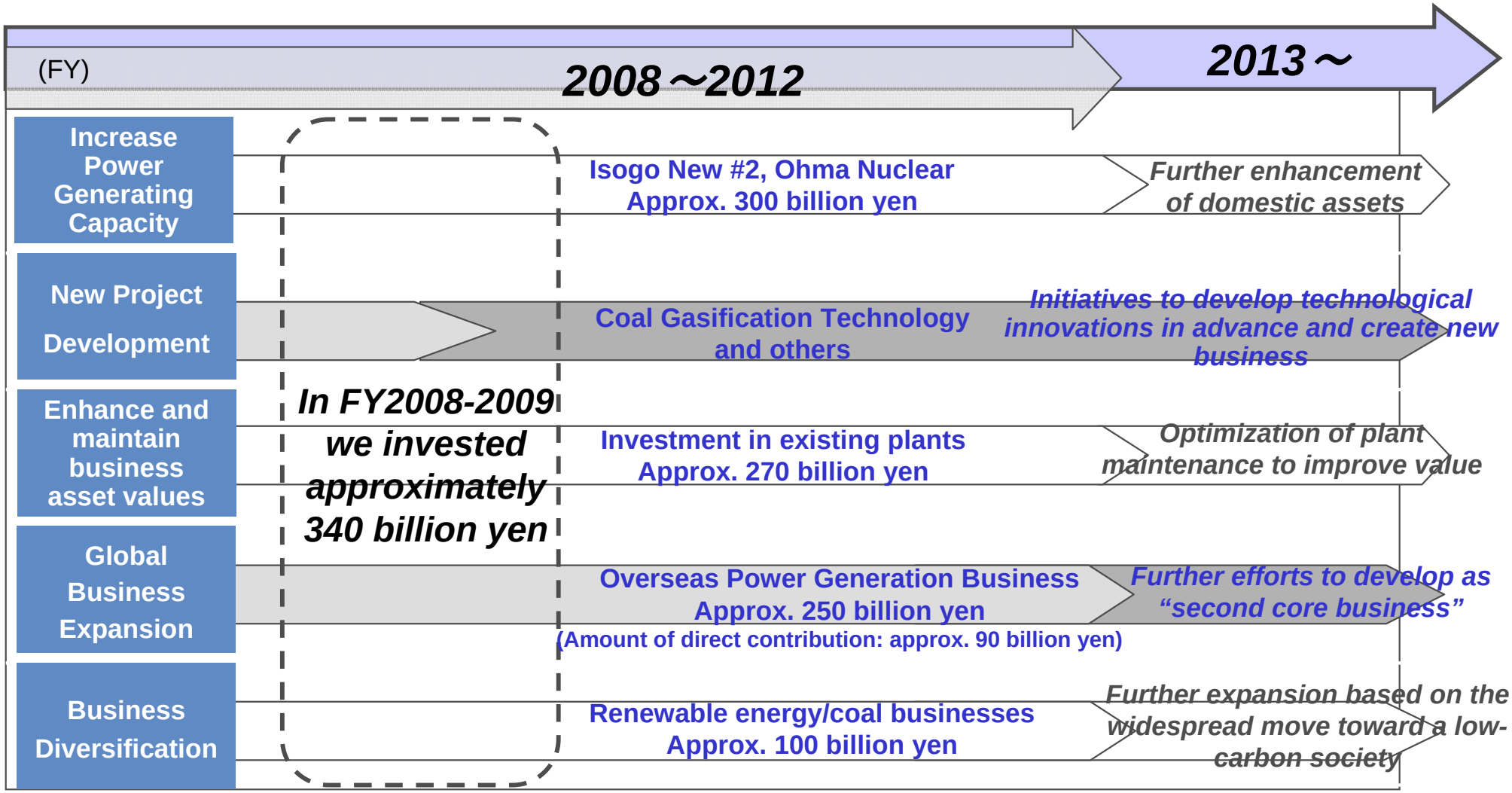
- We have retracted our numerical target for consolidated shareholders' equity ratio since the last fiscal year, but will aim for continual improvement.
- The forecast for the end of FY2010 is 20.5%.
- We are still in the facilities formation phase, but our management policy of continuing to strengthen our financial position remains unchanged.



The shareholders' equity ratio depends on the forecast made in the third quarter.

Investment Plans(FY2008-FY2012)

- ✓Investment plans are proceeding smoothly.
- ✓Decisions to move forward have already been made for numerous projects; solid execution of these projects will be the issue.



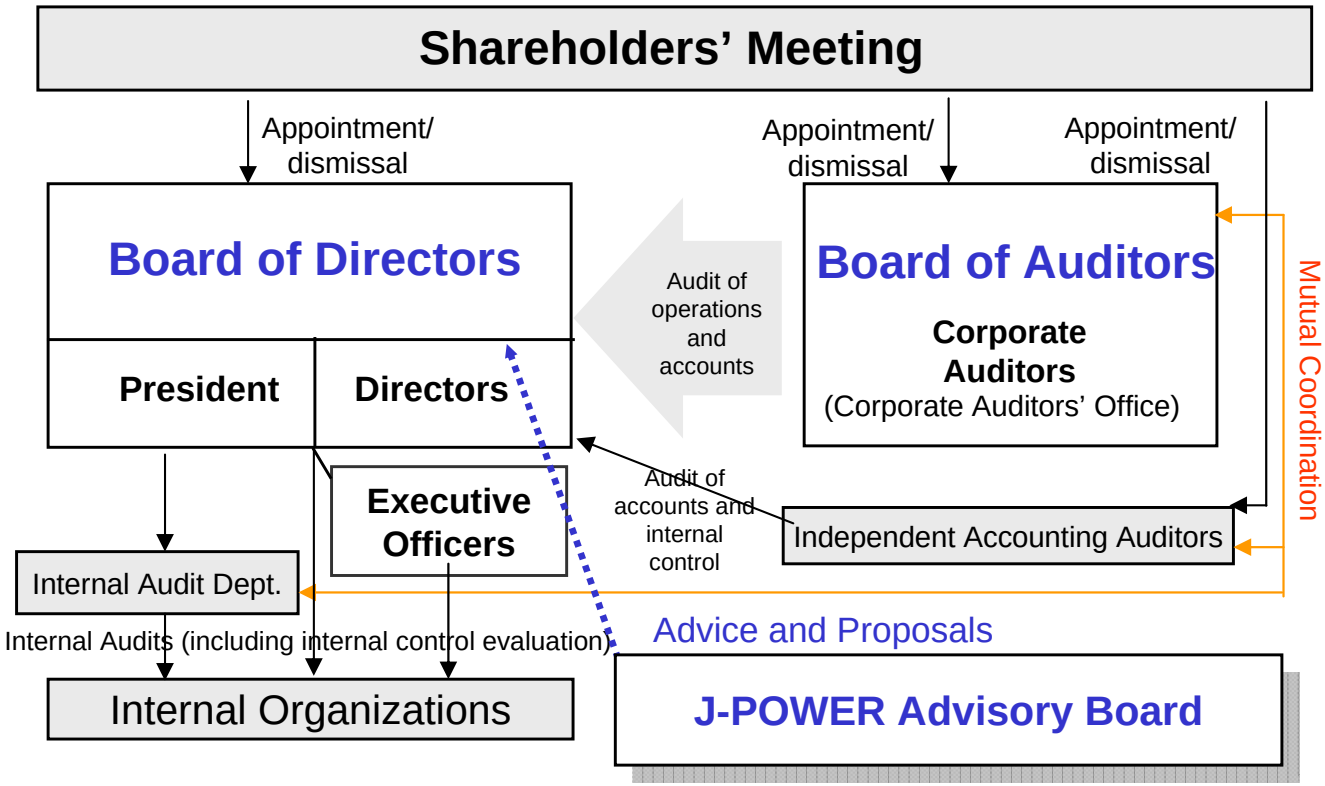
* The amounts recorded are the amounts recorded in J-POWER's consolidated assets.
Moreover, we plan to establish project financing for overseas projects, and this will limit J-POWER's exposure to an amount equivalent to project capital multiplied by our investment ratio (expected amount of direct contribution: about 90 billion yen).
Investment amount for fiscal 2008-2009 is an estimate, current as of the end of the third quarter.

III. Strengthening the Corporate Infrastructure

(1) Corporate Governance Framework

✓**Maintain a governance system with close cooperation between the Board of Directors and the Board of Auditors**

- Executive officer system (2002)
- Shortened directors' terms
  Abolished retirement bonus
  Increased the no. of auditors
  Established Group Management Committee
  Revised the Executive Officer system
  (Switched to a consignment contract system)
  (2006)
- Strengthened the compliance framework
  Prepared for compliance with Japan's SOX Act
  (2007)
- Established Advisory Board (2008)
- Established the positions of outside director and chairperson (2009)
- Independent officer designating (2010)



(2) Establishment and Spread of Compliance Activities

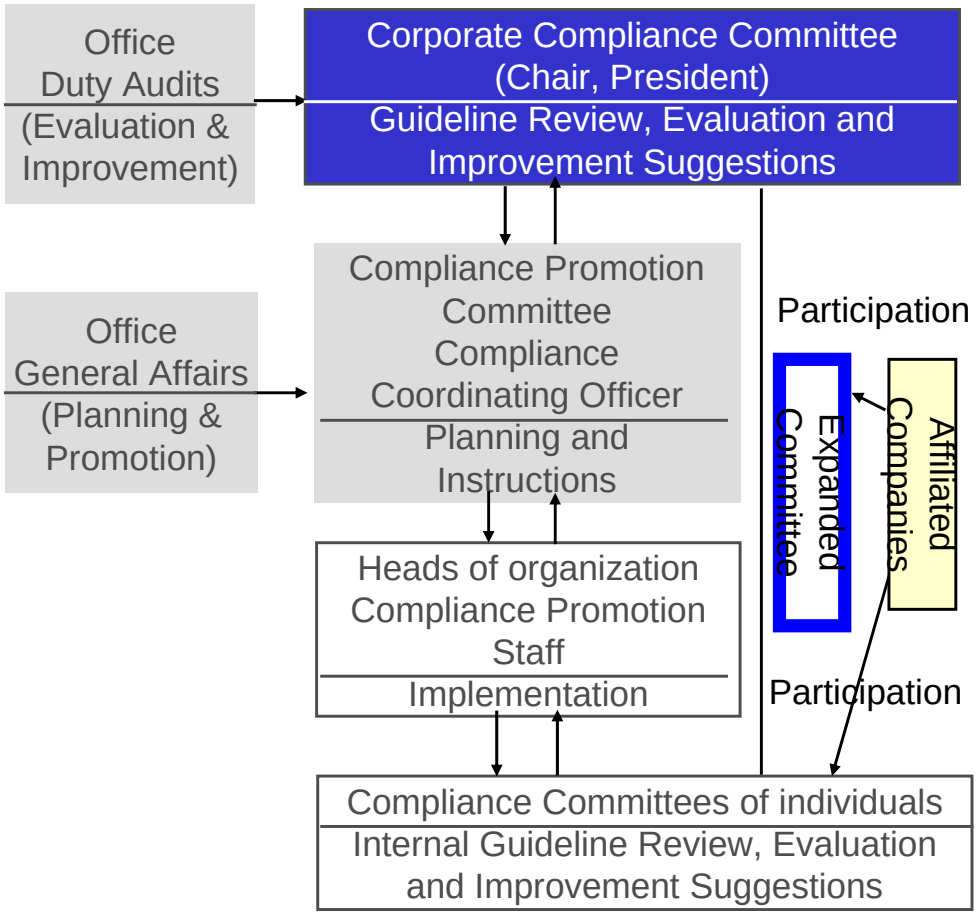
✓**Maintaining the trust of society is a major premise of corporate activity.**
✓**Promotion of activities by the Group as a single unit.**

Compliance Promotion Action Program

- Plan and carry out activities to acquire and maintain even greater trust of society.
- As a priority for the entire Group for the foreseeable future, promote activities that will instill the corporate culture and an awareness of compliance in individual staff.
- The promotion of compliance has been positioned as a common goal of the organization and each part is working on a theme for the current period.

A firmly established awareness of compliance and continuous improvement are vital

Framework to Promote Compliance



(3) Systematic Investment and Financial Activities

✓**Steady progress is being made in business investments targeting growth. Ensure stable procurement of funds.**

FY 2008-2012

Increase Power Generating Capacity	Approx. ¥300 bn
New Project Development	
Enhance and Maintain Business Asset Values	Approx. ¥270 bn
Global Business Expansion	Approx. ¥250 bn
Business Diversification	Approx. ¥100 bn

* The amount is the figure posted as J-POWER's consolidated assets

Steady progress in business investment and stable business operations

Strive to achieve sustained growth through stable plant operation and consistent business investment.

Fund Raising to support growth investment

Stable cash flow and expansion of shareholders' equity

Make steady progress in growth-targeted business investments by maintaining competitive fund procurement conditions.

Ensure stable sourcing of funds by maintaining a profit base and a sound financial position.

(4) Revitalizing Human Resources

✓**Human resources are the foundation of corporate sustainability.**

Securing Human Resources

- Establish an HR base consisting of a small number of sharp, independent individuals to support sustainable growth
- HR diversification that responds to changes in the environment.

Human Resource Development

- Practical skills that allow the modification and expansion of business opportunities.
- Strengthen CDP, which supports the maintenance and improvement of technical abilities (Rotation, OJT, Off-JT, etc.)
- Training future leaders

Enable all employees, regardless of age or position, to serve as professionals over the long term

Establish an environment for revitalizing human resources

- Build a work environment where the employees do rewarding work.
- Promote a work/life balance
- Establish a work environment and system regardless of age or sex.

(5) Group Management for Increasing Consolidated Corporate Value

✓**Groups of specialists that are "Experts in their areas."**
✓**Contributing to Consolidated Corporate Value through their Individual Roles.**

Maintaining Hydroelectric Power Transmission Facilities

JP HYTEC Co., Ltd

Civil Engineering, Construction Studies and Design

KDC Engineering Co., Ltd

Maintaining Thermal Power Facilities

J Pec Co., Ltd

Thermal Fuel Procurement

J-POWER RESOURCES Co., Ltd

Contribution to stable supply through facility maintenance and other areas, and optimization of outlays for the entire group from a long-term perspective.

In-Group, General Services

JP Business Service Corporation

Maintenance and Construction of Communications Facilities

KEC Corporation

Development of New Business in Japan

Japan Network Engineering Co., Ltd.
KAIHATSU HIRYOU Co., Ltd.
Ecogenomics Inc.
Fresh Water Miike Co., Ltd., etc.

Pursue even more possibilities through new businesses and projects, and expand the earnings of the entire group.

Design and Production of Dry Desulfurization Devices

J-POWER EnTech Inc.

Development of Power Generation Business Overseas

J-POWER Generation (Thailand) Co., Ltd.
J-POWER USA Development Co., Ltd.
J-POWER Consulting (China) Co., Ltd. etc.

(6) Safety Initiatives and Trust

✓Responding to Society's Trust in the J-POWER Group

Meeting Regional Environmental Challenges

- Expand environmental management targets significantly, aimed at ongoing activities. Promote activities aimed at achievement of group-wide targets.
- Limit emissions of sulfur oxides (SOx) and nitrogen oxides (NOx) using world class technology for coal-fired thermal power generation.
- Promote the recycling of industrial waste and thoroughly implement proper processing aiming for a sustainable society and promoting green procurement activities.

Expansion of Crisis Management System

- Initiatives for responding appropriately to a crisis along with accurately grasping risks surrounding business.

① Set up a permanent Crisis Management Team, have each organization appoint a crisis management supervisor and respond to crises rapidly.

② Disaster Prevention Subcommittee: Plan for earthquake reinforcement of power plant facilities, company housing, dorms and the like in preparation for a large-scale earthquake.

③ Overseas Crisis Management Subcommittee: Gather safety information at overseas sites, offer safety and emergency response training and set up an emergency response system.

Prevention of Workplace Accidents and Promotion of Employee Health and Safety

- Prevent workplace accidents with group safety activities.
- Establish safety culture and heighten safety awareness through more active workplace communication among relevant parties.
- Promote the prevention of ill health through THP activities including special diagnoses, health guidance and support.
- Maintain and administer good workplace health through mental health care and the prevention of contagion.

Reinforcement of Data Security

- Promote Ohma Nuclear Power Plant, in addition to existing businesses and reinforce data security, which supports the global development of business.

① Strengthen prevention/discovery functions and develop data security to prevent problems before they occur.

② Strengthen data security system and cooperation throughout the group.

IV. For Achieving Sustainable Growth

J-POWER Group's Corporate Social Responsibility (CSR)

Under the corporate philosophy we have set for ourselves, we will carry out our responsibility to society and respond to the expectations of our various stakeholders, who support the company.

Corporate Philosophy	*Theme*	*Description*
Sincerity and pride underlie all our corporate activities.	*Reliable supply of electric power*	*Maintenance of suitable facilities in order to be "always available." (p.17)*
	Full internal controls	*Full corporate governance system (p.24)* *Thorough and consistent compliance. (p.25)*
	Winning society's trust	*Encouragement of proper disclosure of information. Consideration of safety and security in all business activities.(p.29)*
We build community trust by harmonizing our operations with the environment.	*Attention to global environmental matters*	*Reduction in unit CO_2 emissions (*)* *Maintenance and improvement of thermal efficiency in thermal power generation. (*)*
	Attention to global environmental matters	*Limiting of SOx, NOx and other emissions. (*)* *Promotion of waste product recycling. (*)* *Preserving Biodiversity. (*)*
Profits are a growth source, and we share the benefits with society.	*Return to Shareholders*	*Continuation of reliable dividend and improvement commensurate with fruits of growth. (p.32)*
	Contribution to society	*Establishment of "View of J-POWER Group Corporate Contribution Activities" (p.34)*
We continually refine our knowledge and technologies to be a leader in these areas.	*Human resource training*	*Improvement of effective work capacity through enrichment of basic and expert knowledge. (p.27)*
	Promotion of innovation	*System organization and training of human resources that foster the creation of new concepts. (p.27)*
We meet the challenges of tomorrow by harnessing our unique skills and enthusiasm.	*Rich workplace environment*	*Promotion of work/life balance. (p.27)*
	Diverse human resource activities	*System and work environment where employees can play active role, regardless of age or sex. (p.27)*

* For more about the J-POWER Group's Environmental Management Targets, please refer to our home page or the "Sustainability Report."

Our View on Returns to Shareholders

✓ **We will seek to further enhance profit distribution to shareholders, reflecting the results of growth.**

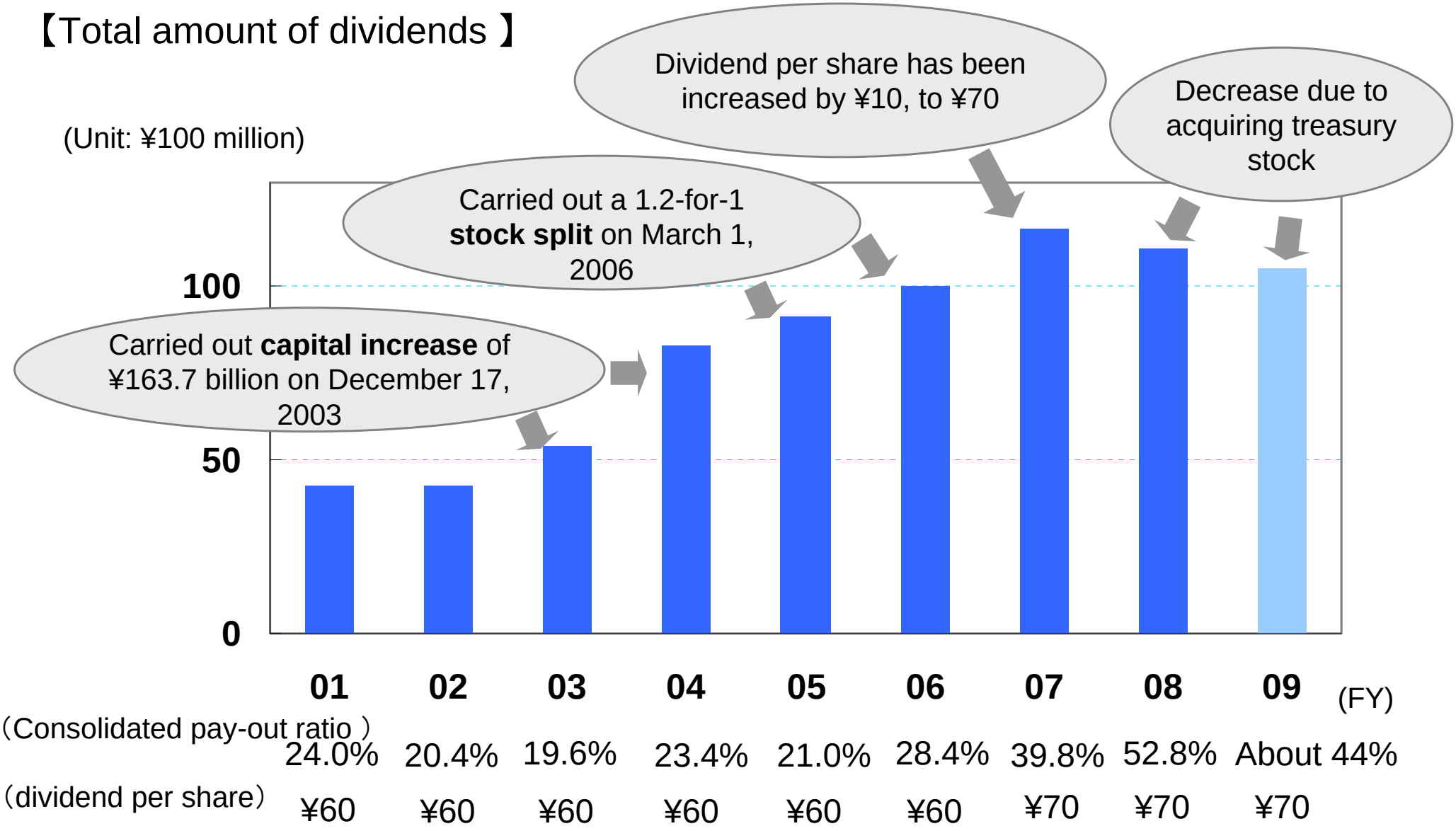
Our Views on Returns to Shareholders

- The most prominent characteristic of our business is that we secure returns on our investment in power plants and other infrastructure through the long-term operation of these facilities, utilizing our well-established enterprise management expertise, including the construction of power plants and other infrastructure.
- Business results achieved over the long term constitute the source of returns to shareholders. In view of the characteristics of our business, we place the utmost importance on a sustainable dividend policy.
- Moreover, we will make long-term efforts to enhance our corporate value on an ongoing basis. Then, reflecting the results of growth, we will seek to further enhance profit distribution to shareholders.

- **We will strive to improve our profit-earning capacity by developing new business, etc., despite the severe business environment, increase shareholder value, and maintain stable dividends.**

Return to Shareholders

【Total amount of dividends】



* Figures from FY2009 onwards are forecasts

Consolidated dividend payout ratio = total dividends paid ÷ consolidated current net income

View of J-POWER Group Corporate Contribution Activities

✓We have established a basic concept that allows the Group to contribute to society as part of our CSR promotion

We at the J-POWER Group, led by a corporate philosophy that views “We build community trust by harmonizing our operations with the environment“ and ”profits area a growth source, and we share the benefits with society” will strive, as a member of society, to develop a healthy society, to seek sustainable development and to participate in activities that contribute to society for a long time.

Based on the following two main themes for our activities, we will speak to people of the local communities as well as those who strive for the harmonization of energy and the environment. Together we will place importance on learning and contributing to each other’s wisdom and steadily support the volunteer activities that our employees engage in.

“Together with the local community and society”

Our corporate activities are supported by people of the communities where we have power plants. Just as our employees as individuals aspire to be good citizens in their communities, each of our J-POWER offices also aspires to be useful to the community and society as a good corporate citizen. By being trusted by the people in the community and promoting activities will foster close relations with the people in communities, we will strive to live as members of a community and to grow together with society.

“Harmonization of energy and environment”

In order for people to lead happy lives, they need two things: energy to support their lifestyles and a better environment. We intend to make use of findings we have made concerning the environment, developed through our business activities and work together with a wide variety of people seeking to harmonize energy and the environment. Through technology and attitudes that value energy and the environment, we will contribute to the development of a sustainable Japan and a sustainable world.

- Corporate contributions to society can be defined as, “Voluntary work on social challenges in which resources or expertise are offered to help resolve said challenges without seeking direct compensation” (*).
- Guided by this creed, the J-POWER Group will bear in mind the two ideas of “working with the local community and society” and “aiming to harmonize energy and the environment” as its two main themes for activities. In doing so, we will focus our attention on (1) continuity, (2) a spirit of volunteerism, (3) cooperation, and (4) transparency as we continue our efforts to contribute to society in a way that befits the J-POWER Group.

* From “Activities that Contribute to Society in a CSR Era” by the Committee to Promote Social Contributions of Nippon Keidanren.

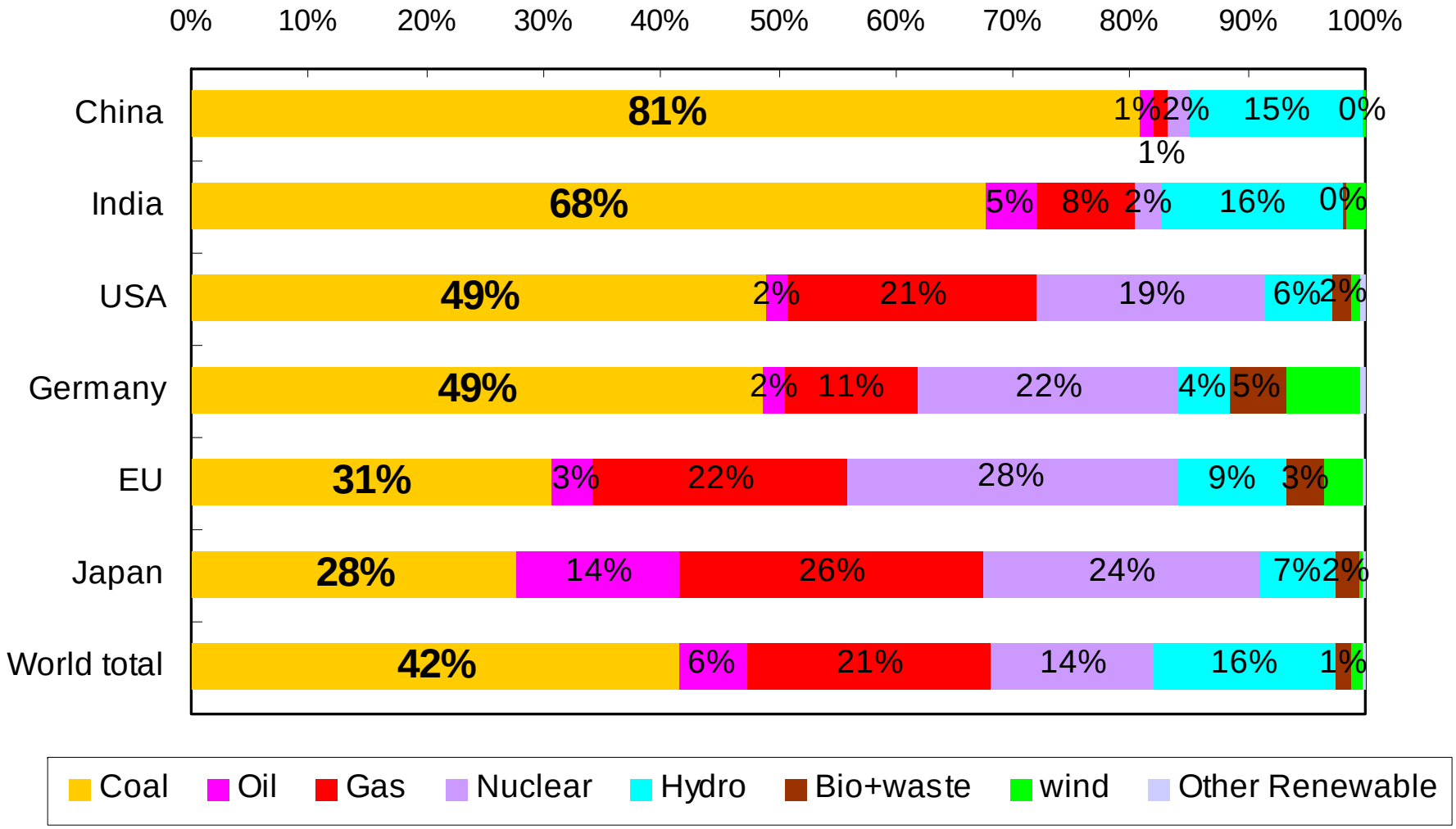
APPENDIX Ⅰ

Achieve a low-carbon society through high efficiency coal-fired thermal power technology

APPENDIX Ⅰ Contents

Electricity Generation by Fuel in Major Countries（2007）

- Approximately 40% of the world's power is generated by coal, the largest share.
- Coal's share of power generation is high in large energy-consuming countries such as China, India, and the U.S..



Source: IEA World Energy Outlook 2009

Outlook for Power Generation and CO_2 Emissions: World

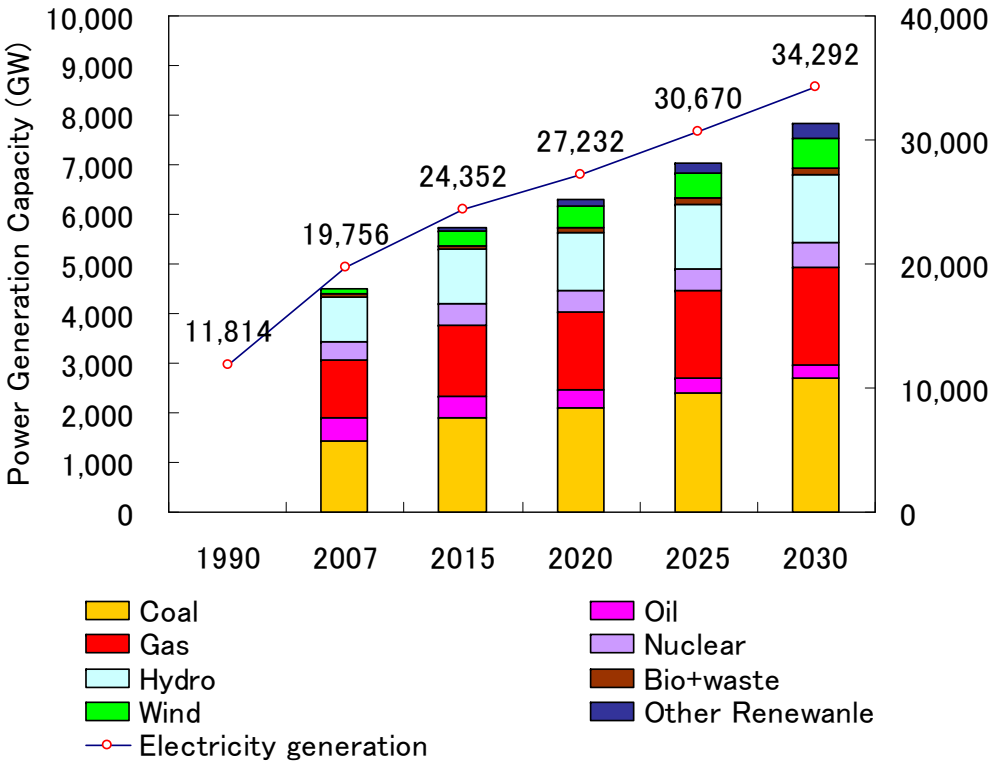
- Total CO_2 emissions from coal-fired power generation accounted for about 30% of total worldwide emissions. And the share is expected to increase.
- Reduction of CO_2 emissions from coal-fired power generation is a key to reduction of worldwide CO_2 emissions.

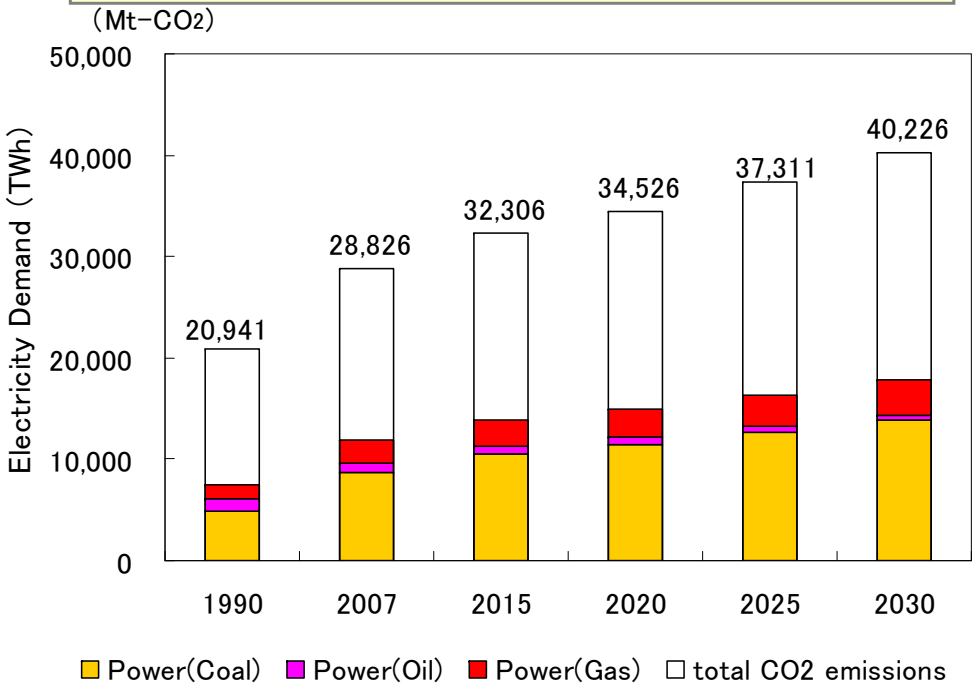
The share of coal-fired power generation capacity in worldwide capacity

2007	2030
32%	35%

The share of CO_2 emissions from coal-fired power generation in total worldwide emissions

2007	2030
30%	34%



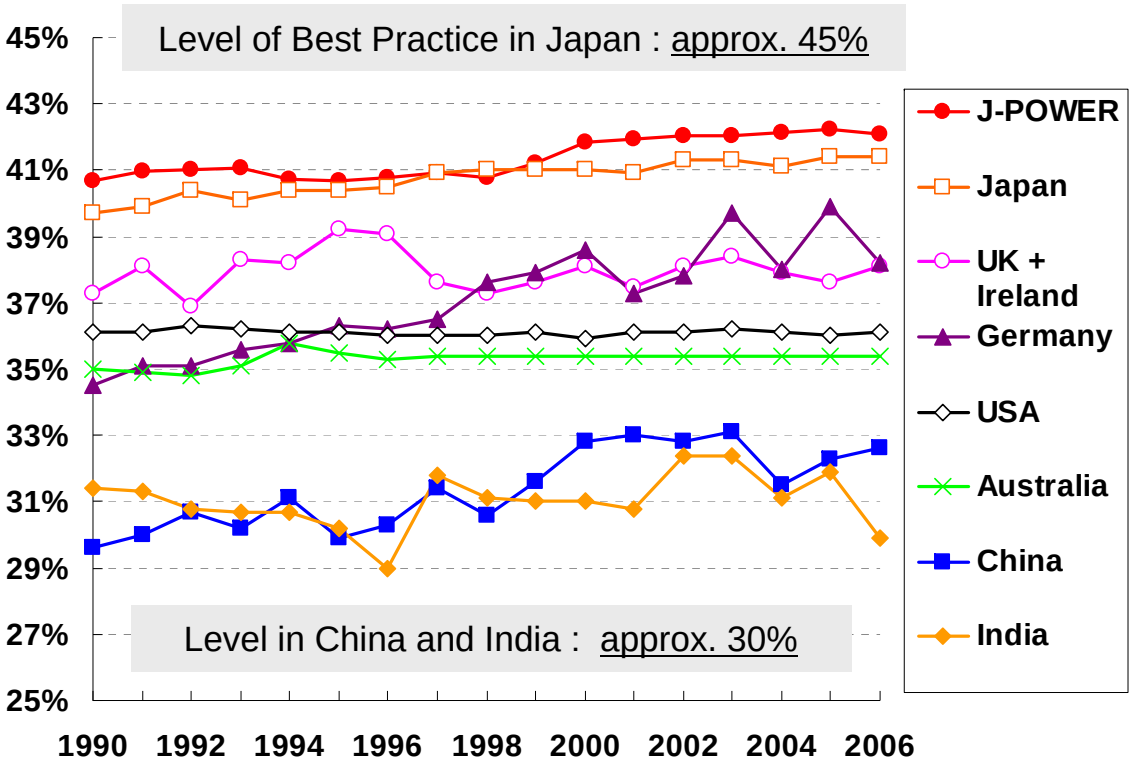


Source: IEA World Energy Outlook 2009

Thermal Efficiency in World's Coal-Fired Power Generation and Power Generation Capacity in Asia

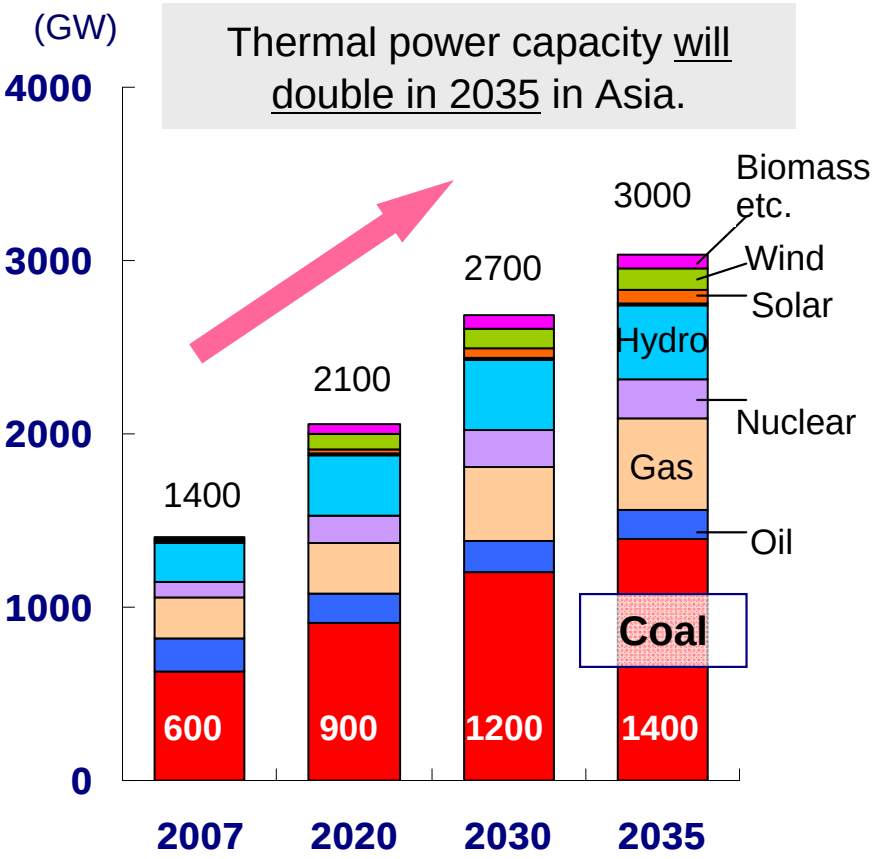
- Japan's coal-fired power plants lead the world in thermal efficiency.
- Thermal efficiency in the U.S., China and India, the world's big CO_2 emitters, is relatively low.

Thermal Efficiency at Generation End (LHV)



Source: Ecofys International Comparison of Fossil Power Efficiency and CO2 Intensity 2009

Outlook of Power Generation Capacity in Asia

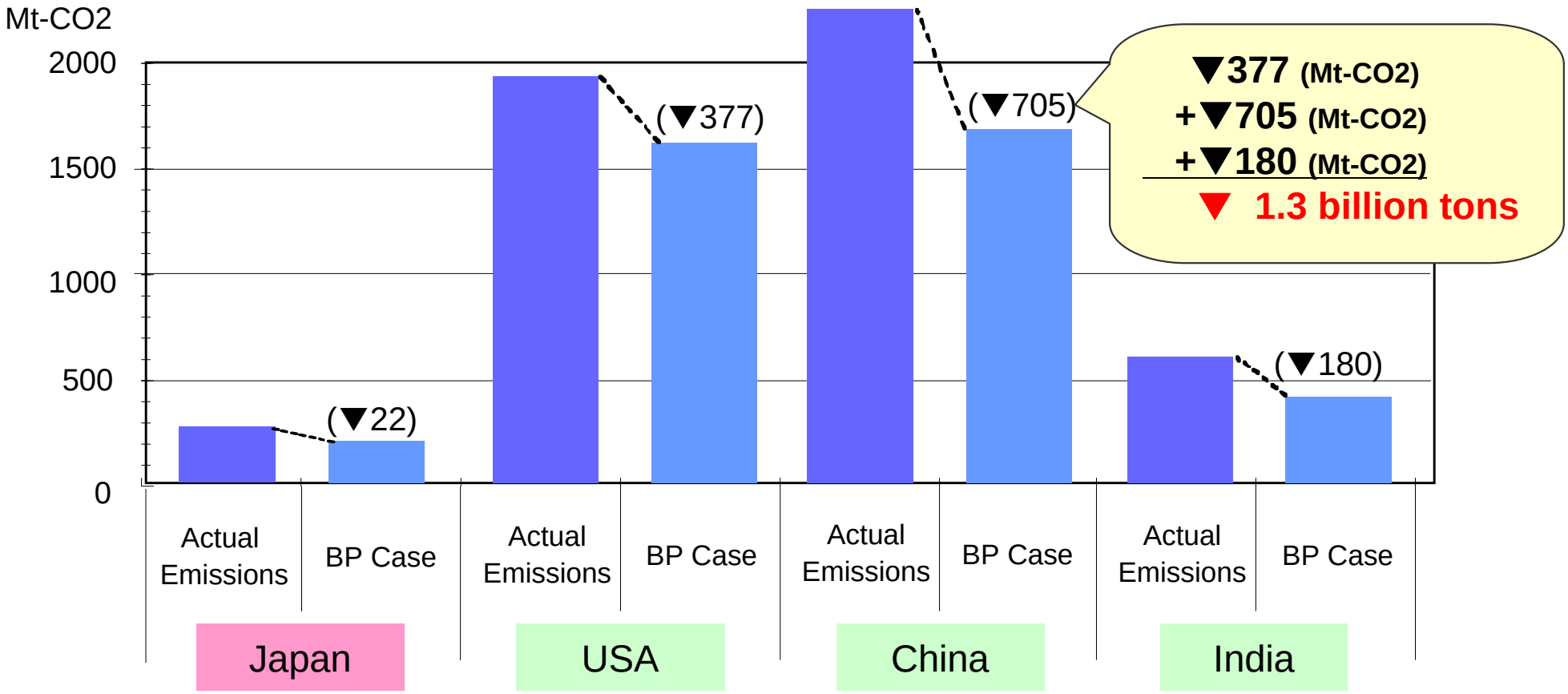


Source: The Institute of Energy Economics, Japan "Asia/ World Energy Outlook 2009"

Potentiality of Lower CO_2 Emission by Japanese High Efficient Generating Technology

- Applying current best practice in Japan to the U.S., Chinese, and Indian coal-fired power generation could reduce CO_2 emissions by 1.3 billion tons.
- This is equivalent to 5% of worldwide CO_2 emissions from all sources, or almost the same as the total CO_2 emissions for Japan as a whole based on 2005 levels.

Actual CO_2 emissions from coal-fired power plants (2005) and Estimated emissions with best practice (J-POWER Isogo New #1 efficiency)



Source: "IEA World Energy Outlook 2007", "Ecofys International Comparison of Fossil Power Efficiency and CO2 Intensity 2008" provided by FEPC

Development and Deployment Roadmap for CCTs (J-POWER)

➢ PCF* Development, Efficiency Improvement（+ biomass co-firing）

- Improved USC; double reheat /650°C improvement
- A-USC 700°C class

Material Development — Around 2020 Demonstration — +CCS

➢IGCC/IGFC Development

- Oxygen-blown Coal Gasification (Osaki)
  (J-POWER、The Chugoku Electric Power Co., Ltd.）
- Clean Coal Power (Nakoso)
  (Joint project of EPCOs)

2016 Demonstration — Commercial plant — +CCS IGFC

Demonstration — Commercial plant

➢CO_2 Capture Development

- Wakamatsu EAGLE
  (gasification, pre-combustion）
- Clean Coal Power (Nakoso)
  (gasification, pre-combustion)
- Callide, Australia
  (PCF* Oxy-fuel)
- Matsushima PS
  (Post-combustion, Chemical Absorption)

2008 2010 — **Demonstration (Osaki)**

Demonstration (Nakoso)

2010 2014 — **Demonstration**

2007 2008 — **Demonstration**

Step by step Implementation

*PCF: Pulverized Coal-Fired generation

Major Projects towards Coal Gasification and CO2 Capture (J-POWER)

Coal Gasification (& CO_2 Capture)

Coal Gasification

Oxygen-blown (IGFC/ GP)

- Organization: J-POWER/NEDO
- Coal Consumption: 150t/day
- Test Period: FY2001-FY2009

Coal Gasification

Air-blown (IGCC)

- Organization: 9 EPCOs / JP/ CRIEPI
- Coal Consumption: 1,700t/day (250MW)
- Test Period: FY2007-FY2009

CO_2 Capture

Coal Gasification

Pre-combustion

- Organization: J-POWER/NEDO
- Gas Flow: 1,000Nm^3/h
- CO2 captured: about 20 t-CO2/day
- Test Period: Nov. 2008 – Mar. 2010

Pulverized Coal-Fired

Oxy-fuel

- Organization: Japan (JP,IHI …)/ Australia
- Scale: 30MW class
- CO_2 captured: 30,000 t-CO_2/year
- Test Period: 2011 – 2014 (Planned)

Pulverized Coal-Fired

Post-combustion

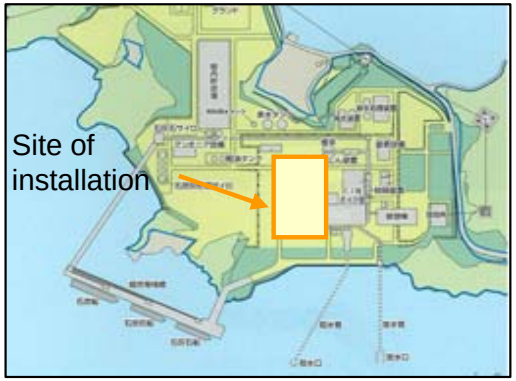
- Organization: J-POWER/MHI
- Gas Flow: 1,750Nm^3/h
- CO_2 captured: 10 t-CO_2/day
- Test Period: Apr. 2007 - Mar. 2009

OSAKI Oxygen-blown Coal Gasification Demonstration Project: Update

- Established a new company to undertake a large-scale demonstration test jointly with Chugoku Electric Power Co., Ltd. ahead of the commercialization of oxygen-blown IGCC.
- We are progressing environmental impact assessments with the goal of construction start in FY2012.

Outline of the project

Corporate Name	Osaki CoolGen Corporation (Established in July, 2009)
Capital contribution	J-POWER 50%, The Chugoku Electric Power Co.,Ltd. 50%
Location	Osaki Power Station, The Chugoku Electric Power Co., Ltd. (Osaki Kamijima-cho, Hiroshima Prefecture)
Scale	Coal feed: 1,100t/day class (output 170MW class)
Details of test	The demonstration test will verify a larger scale coal gasification combined cycle system and CO_2 capture technology



Osaki Power Station (Hiroshima Pref.), Chugoku Electric Power

Schedule

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Optimization Survey Reseach	Preparation		Optimization											
Environmental Assessment	Preparation	Environmental Assessment												
Construction & Demonstration Test				IGCC	Design & Construction					Demonstration Test				
					▲Construction starts									
							CO_2 separation & recovery				Design & Construction		Demonstration Test	

APPENDIX Ⅱ

Financial and Business Data

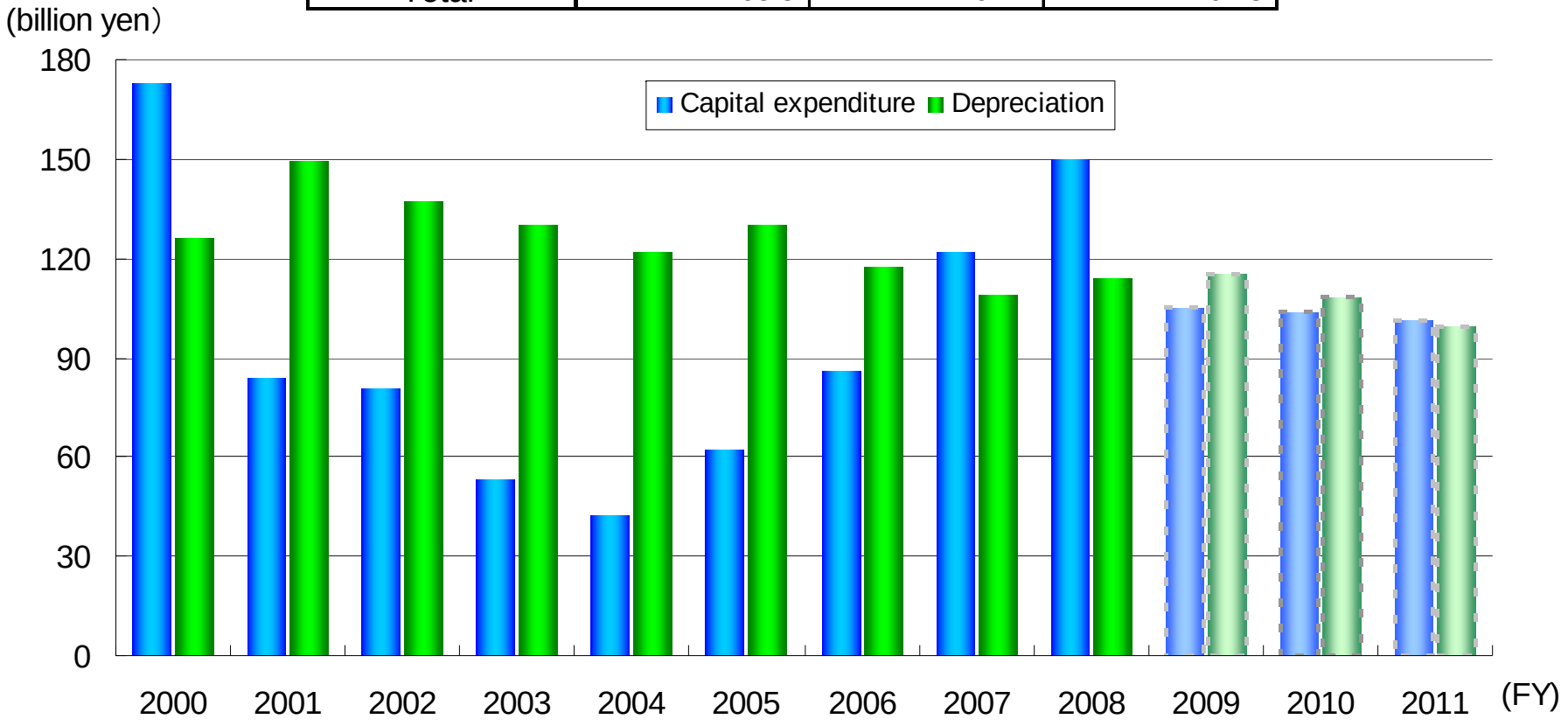
APPENDIX Ⅱ Contents

Capital Expenditure Plan for the Wholesale Power Business

(Non-consolidated)

(Unit: billion yen)

	FY2009(E)	FY2010(E)	FY2011(E)
Generation Assets	67.1	67.6	82.6
Transmission /Substation	17.3	16.3	7.0
Other	21.0	20.2	12.2
Total	105.5	104.2	101.8



Facilities formation phase → Investment recovery phase → Facilities formation phase

✓Tachibanawan Thermal（2,100MW）

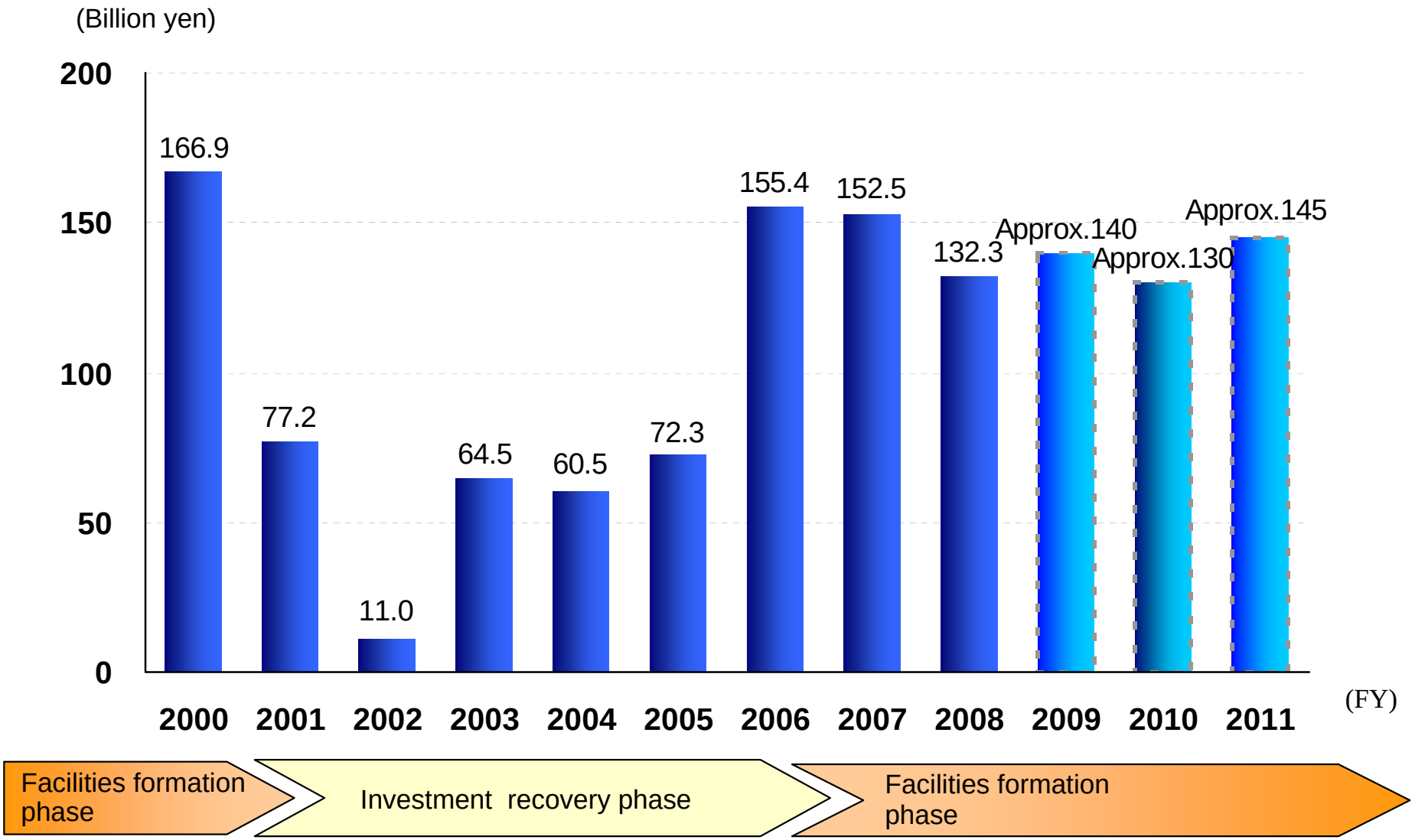
✓Isogo New No.1 Thermal（600MW）

✓Isogo New No.2 Thermal（600MW）

✓Ohma Nuclear（1,383MW）

* Figures form 2009 onwards are forecasts.

Outlook of Cash Flow from Investing Activities (Consolidated)



* Plus and minus sign is reversed for convenience.

* Figures form 2009 onwards are forecasts.

Power Generation Capacity (Consolidated)

- As of March 31, 2010, power plants of 21,084MW (consolidated, on an equity basis) are in operation in a whole world.

Power Generation Capacity (Consolidated) (In operation) (as of March 31, 2010)		Number of Power Station	Total capacity (MW)	On an equity basis		
				Capacity* (MW)	Share(%)	
					In whole	In each area
Domestic	Wholesale Power Business (non-consolidated)	67	16,988	16,988	80.6	97.0
	IPP・for PPS	3	352	281	1.3	1.6
	Wind Power	15	271	242	1.1	1.4
	Total	**85**	**17,610**	**17,510**	**83.0**	100.0
Overseas	Thailand	9	2,770	1,020	4.8	28.5
	USA	9	4,390	1,390	6.6	38.9
	China	5	5,944	511	2.4	14.3
	Other Area	3	1,446	653	3.1	18.3
	Total	**26**	**14,550**	**3,574**	**17.0**	100.0
Total		**111**	**32,160**	**21,084**	**100.0**	—

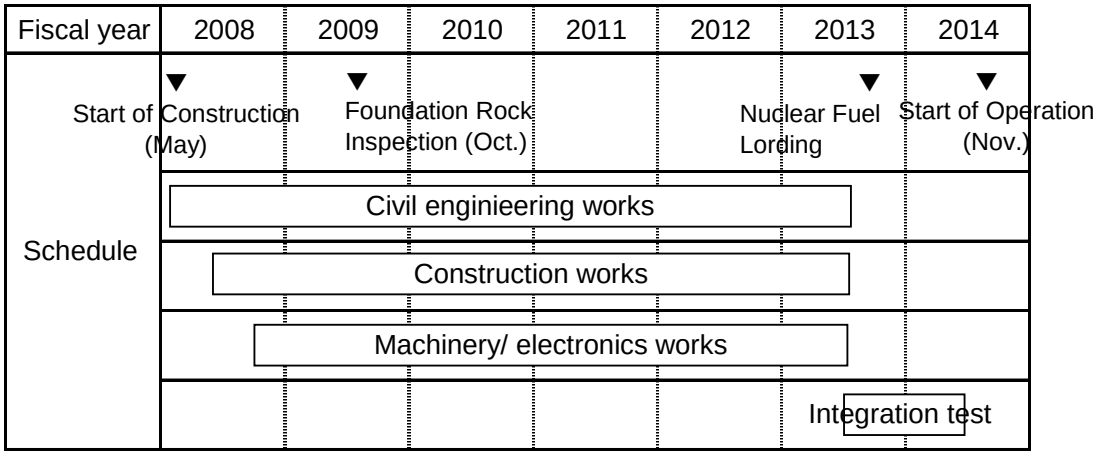
* Multiplied by our percentage interest in the projects in which we are participating

Ohma Nuclear Power Project : Update

- Construction of the Ohma Nuclear Power progresses steadily.（The percentage of completion of construction as of March 20, 2010 is 8.2%.）
- It will be followed by full-scale construction, and J-POWER plans to proceed with the construction work steadily with the goal of commencing operation in November 2014.

Present status of the construction site

Schedule



Outline of the Project

Construction Site	Ohma-machi Shimokita-gun, Aomori Prefecture
Start of Construction	May 2008
Start of Operation	November 2014（planned）
Output	1,383MW
Type of Reactor	Advanced Boiling Water Reactor（ABWR）
Type of Fuel	Low enriched uranium and mixed oxide of uranium and plutonium（MOX）

Customers

9 EPCOs (excluding Okinawa EPCO)

Overseas Power Generation Business: List of Projects①

■Thailand

(As of March 31, 2010)

Status	Project Name	Type of Power Generation	Output Capacity (MW)	Equity Stake	Owned Capacity (MW)	Participation Year	Start of Operation	Power Purchaser	Validity of purchase agreement
In operation	Roi-Et	Biomass (Chaff)	10	24.7%	2	FY2000	FY2003	EGAT	21 years
	Rayong	Gas (Combined Cycle)	112	20.0%	22	FY2000	FY2002	EGAT / Companies in the industrial park	21 years
	Thaioil Power	Gas (Combined Cycle)	113	19.0%	21	FY2001	FY1998	EGAT / Companies within the Thai Oil Refinery	25 years
	Independent Power	Gas (Combined Cycle)	700	10.6%	74	FY2001	FY2000	EGAT	25 years
	Gulf Cogeneration (Kaeng Khoi)	Gas (Combined Cycle)	110	49.0%	54	FY2001	FY1998	EGAT / Companies in the industrial park	21 years
	Samutprakarn	Gas (Combined Cycle)	117	49.0%	57	FY2002	FY1999	EGAT / Companies in the industrial park	21 years
	Nong Khae	Gas (Combined Cycle)	120	49.0%	59	FY2002	FY2000	EGAT / Companies in the industrial park	21 years
	Yala	Biomass (Rubber Wood Waste)	20	49.0%	10	FY2003	FY2006	EGAT	25 years
	Kaeng Khoi #2	Gas (Combined Cycle)	1,468	49.0%	719	FY2004	FY2007	EGAT	25 years
	9 projects		**2,770**		**1,020**				
Planning	Samet Tai	Gas (Combined Cycle)	1,600	*We plan to own the majority stake		FY2007	FY2013	EGAT	25 years
	Nong Saeng	Gas (Combined Cycle)	1,600			FY2007	FY2014	EGAT	25 years
	7 Small Power Producers	Gas (Combined Cycle)	(Total) 780			FY2007	FY2012-14	EGAT / Companies in the industrial park	25 years

■China

(As of March 31, 2010)

Status	Project Name	Type of Power Generation	Output Capacity (MW)	Equity Stake	Owned Capacity (MW)	Participation Year	Start of Operation	Power Purchaser	Validity of purchase agreement
In operation	Tianshi	Coal Waste	50	24.0%	12	FY2000	FY2001	Shanxi Province Power Corporation	Renewed for 1year*2
	Hanjiang (Xihe)	Hydroelectric	180	27.0%	49	FY2007	FY2006	Shaanxi Electric Power Company	Renewed for 1year*2
	Hanjiang(Shuhe)	Hydroelectric	45	27.0%	12	FY2007	FY2009	Shaanxi Electric Power Company	Renewed for 1 year*2
	Gemeng*1	Mainly Coal	4,349	7.0%	306	FY2009	—	Shanxi Province Power Corporation	—
	Xinchang	Coal	1,320	10.0%	132	FY2007	FY2009	Jiangxi Electric Power Company	Renewed for 1 year*2
	5 projects		**5,944**		**511**				
Under construction	Hanjiang(Shuhe)	Hydroelectric	225	27.0%	61	FY2007	FY2010	Shaanxi Electric Power Company	Renewed for 1 year*2

*1 Gemeng International Energy Co., Ltd. (Shanxi Province) owns ten power generation companies.

*2 Although ''Power Purchase Agreement'' is renewed every one year, J-POWER makes other agreements with the power purchasers for continuous power purchase during the operation.

Overseas Power Generation Business: List of Projects②

■USA

(As of March 31, 2010)

Status	Project Name	Type of Power Generation	Output Capacity (MW)	Equity Stake	Owned Capacity (MW)	Participation Year	Start of Operation	Power Purchaser	Validity of purchase agreement
In operation	Tenaska Frontier	Gas (Combined Cycle)	830	31.0%	257	FY2006	FY2000	Exelon Generation Company, LLC	20 years
	Elwood Energy	Gas (Simple Cycle)	1,350	25.0%	338	FY2006	FY1999, FY2001	Exelon Generation Company, LLC / Constellation	valid to 2012 / 2016 / 2017
	Green Country	Gas (Combined Cycle)	795	50.0%	398	FY2007	FY2001	Exelon Generation Company, LLC	20 years
	Birchwood	Coal	242	50.0%	121	FY2008	FY1996	Virginia Electric and Power Company	25 years
	Pinelawn	Gas (Combined Cycle)	80	50.0%	40	FY2008	FY2005	Long Island Power Authority	valid to 2025
	Equus	Gas (Simple Cycle)	48	50.0%	24	FY2008	FY2004	Long Island Power Authority	valid to 2017
	Fluvanna	Gas (Combined Cycle)	885	15.0%	133	FY2008	FY2004	Shell Energy North America	valid to 2024
	Edgewood	Gas (Simple Cycle)	80	50.0%	40	FY2009	FY2002	Long Island Power Authority	valid to 2018
	Shoreham	Jet-fuel（Simple cycle）	80	50.0%	40	FY2009	FY2002	Long Island Power Authority	valid to 2017
	9 projects		**4,390**		**1,390**				
Under construction	Orange Grove	Gas (Simple Cycle)	96	100.0%	96	FY2006	FY2009	San Diego Gas & Electric	25 years

■Other countries/regions

(As of March 31, 2010)

Status	Project Name	Type of Power Generation	Output Capacity (MW)	Equity Stake	Owned Capacity (MW)	Participation Year	Start of Operation	Power Purchaser	Validity of purchase agreement
In operation	CBK(Philippines)	Hydroelectric	728	50.0%	364	FY2004	FY2001 ～2003	National Power Corporation	25 years
	Chiahui(Taiwan)	Gas (Combined Cycle)	670	40.0%	268	FY2002	FY2003	Taiwan Power Company	25 years
	Zajaczkowo(Poland)	Wind Power	48	45.0%	22	FY2006	FY2008	ENERGA OBROT S.A.	15 years
	3 projects		**1,446**		**653**				
Under construction	Nhon Trach 2(Vietnam)	Gas (Combined Cycle)	750	5.0%	38	FY2008	FY2010	Vietnam Electricity	

*Blank: Information that cannot be disclosed at the moment

Wind Power Business (Domestic): List of Projects

■In Operation

As of March 31, 2010

Location	Name	Output Capacity (kW)	Equity Stake	Owned Capacity (kW)	Start of Operation
Hokkaido	Tomamae Winvilla Wind Farm	30,600	100%	30,600	FY2000
Akita	Nikaho Kogen Wind Farm	24,750	67%	16,583	FY2001
Tokyo	Tokyo Bayside Wind Power Plant	1,700	100%	1,700	FY2002
Iwate	Green Power Kuzumaki Wind Farm	21,000	100%	21,000	FY2003
Nagasaki	Nagasaki-Shikamachi Wind Farm	15,000	70%	10,500	FY2004
Kumamoto	Aso-Nishihara Wind Farm	17,500	81%	14,175	FY2004
Aichi	Tahara Bayside Wind Farm	22,000	100%	22,000	FY2004
Hokkaido	Setana Seaside Wind Power Farm	12,000	100%	12,000	FY2005
Fukushima	Koriyama-Nunobiki Kogen Wind Farm	65,980	100%	65,980	FY2006
Hokkaido	Sarakitomanai Wind Farm	14,850	49%	7,277	FY2001
Yamaguchi	Yokihi no Sato Wind Park	4,500	90%	4,050	FY2003
Kagoshima	Minami Oosumi Wind Farm	26,000	80%	20,800	FY2002
Kumamoto	Ichimokusan Wind Farm	8,500	100%	8,500	FY2006
Hokkaido	Shimamaki Wind Farm	4,500	100%	4,500	FY2000
Aichi	Tahara Wind Farm	1,980	100%	1,980	FY2003
	Domestic: 15 projects	**270,860**		**241,644**	

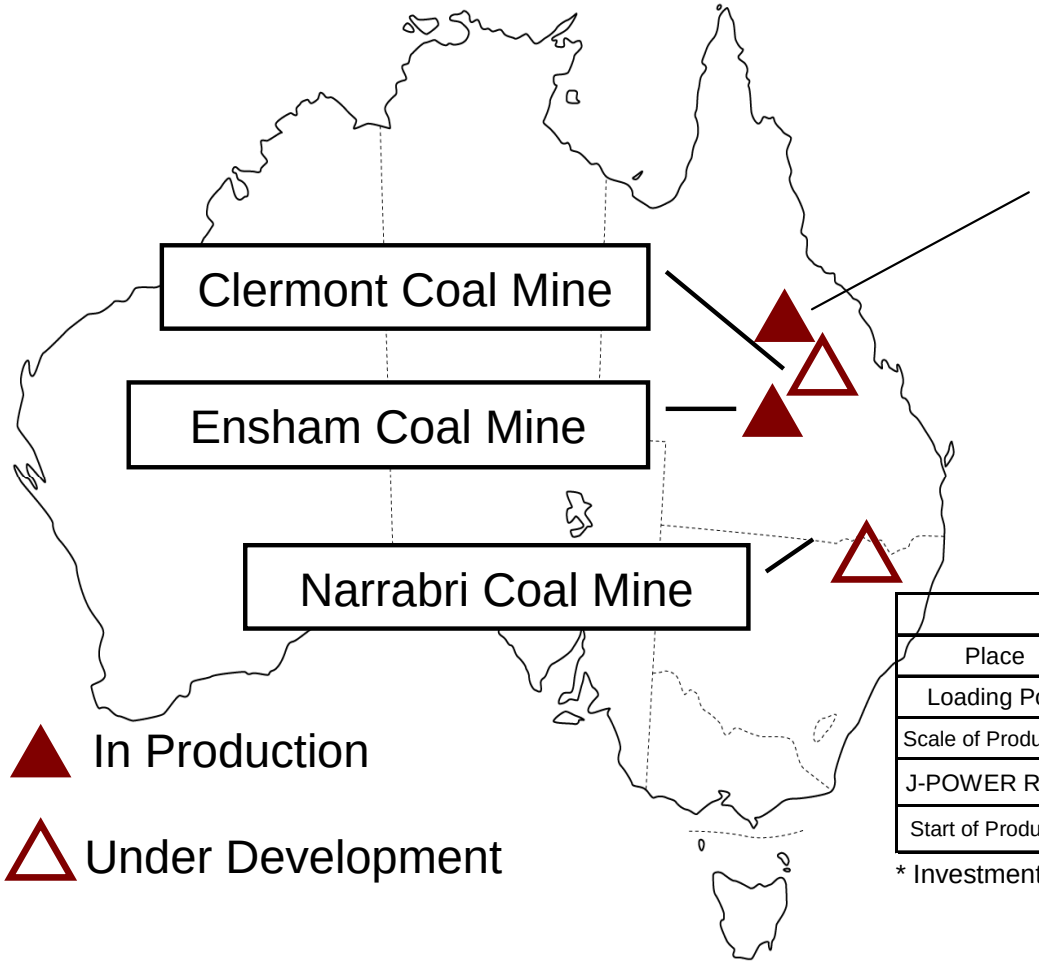
■Under Construction

(Blank: informations that cannot be disclosed at the moment)

Location	Name	Output Capacity (kW)	Equity Stake	Owned capacity (kW)	Start of Operation (planned)
Shizuoka	Irozaki Wind Farm	34,000			FY2010
Fukushima	Hiyama Kogen Wind Farm	28,000			FY2010
Fukui	Awara Wind Farm	20,000			FY2010

Coal Mine Development

- Ensuring the stable procurement and transport of coal by participating in the development of coal resources in Australia and transporting it on J-POWER's vessels
- Taking advantage of our supply capability, we will gradually expand our coal business



Blair Athol Coal Mine (coal excavation)

Transport of coal on J-POWER's vessel

	Blair Athol Coal Mine	Ensham Coal Mine	Clermont Coal Mine	Narrabri Coal Mine
Place	Queensland	Queensland	Queensland	New South Wales
Loading Port	Dalrymple Bay	Gladstone	Dalrymple Bay	Newcastle
Scale of Production	10 million t/year	6 million t/year	12 million t/year	6-7 million t/year
J-POWER Rights	10.0%	10.0%	15.0%	7.5%
Start of Production	1984	1993	2010（planned）	2010 (planned)

* Investment through a consolidated subsidiary, J-POWER AUSTEALIA PTY LTD.

Major Financial Data：Consolidated

(Unit：¥100 million)

	FY2005	FY2006	FY2007	FY2008	FY2009 3Q
《 P L 》					
Operating revenues	6,219	5,732	5,877	7,049	4,269
(EBITDA)※1	2,364	2,002	1,657	1,717	1,265
Operating income	1,014	771	507	571	368
Ordinary income	679	555	428	395	317
Net income	435	351	293	194	223
《 B S 》					
Shareholders' equity	4,330	4,611	4,663	3,801	3,997
Total assets	19,646	19,997	20,131	20,054	20,270
Interest-bearing liabilities	14,082	14,215	14,238	14,707	14,688
《					
Cash flows from operating activities	1,739	1,572	1,362	1,586	1,022
Cash flows from investing activities	-723	-1,554	-1,525	-1,323	-909
Cash flows from financing activities	-1,036	-21	171	-296	-137
FCF ※2	1,016	18	-162	262	112
Depreciation	1,350	1,230	1,150	1,146	896
Capital expenditures	608	907	1,220	1,721	779
《Group Employees》					
Numbers employed ※3	5,868	6,494	6,524	6,581	-

※1 EBITDA = Operating income + Depreciation

※2 FCF = Cash flow from operating activities + Cash flow from investing activities

※3 All subsidiaries were made consolidated subsidiaries in FY2006, which became a primal cause of year-on-year increase in FY2006.

Key Ratios and Key Data

【Key Ratios: Consolidated】	FY2005	FY2006	FY2007	FY2008	FY2009 3Q
Ordinary Income/Operating Revenues(%)	10.9%	9.7%	7.3%	5.6%	7.4%
Shareholders' equity ratio(%)	22.0%	23.1%	23.2%	19.0%	19.7%
D/E ratio	3.3	3.1	3.1	3.9	3.7
ROE(%)※1	10.6%	7.9%	6.3%	4.6%	-
ROA(%)※2	3.4%	2.8%	2.1%	2.0%	-
EPS(¥)	260.76※3	211.14	175.99	121.65	149.02
BPS(¥)	2,598.90※3	2,768.95	2,800.18	2,533.28	2,663.83

※1:ROE＝Consolidated current net income / The average of consolidated shareholders' equity at the beginning and the end of the period

※2:ROA＝Consolidated ordinary income / The average of consolidated total assets at the beginning and the end of the period

※3:Effective March 1, 2006, we carried out a 1.2-for-1 stock split.
These figures are calculated based on the assumption that the said stock split was carried out at the beginning of that year.

【Key Data】	FY2005	FY2006	FY2007	FY2008	FY2009 3Q
Amount of coal consumption (10 thousand ton)	2,075	1,857	2,023	1,940	-
Load factor of coal-fired thermal power plants (%)	84%	75%	81%	76%	62%
Water supply rate (%)	90%	112%	85%	88%	87%
Australian coal price (FOB, US$) ※1	52.5～54.0	52.0～53.0	55.0～56.0	125.0	71.0
Average exchange rate (¥/US$) ※2	113	117	114	101	94

※1:Reference price

※2:TTM

Electricity Sales, Revenues and Generation Capacity
(Domestic, consolidated)

【Electricity Sales (million kWh)】

	FY2005	FY2006	FY2007	FY2008	FY2009 3Q
Wholesale electric power business	**62,626**	**58,672**	**60,786**	**57,532**	**38,969**
Hydroelectric	8,582	10,633	8,287	8,384	6,747
Thermal	54,044	48,039	52,499	49,147	32,222
Other electric power business	**1,701**	**1,657**	**1,682**	**1,616**	**1,095**
Total	**64,328**	**60,329**	**62,469**	**59,148**	**40,065**

【Electric Power Revenues (100 million yen)】

	FY2005	FY2006	FY2007	FY2008	FY2009 3Q
Wholesale electric power business	**4,950**	**4,500**	**4,572**	**5,712**	**3,362**
Hydroelectric	1,268	1,234	1,145	1,109	833
Thermal	3,682	3,265	3,427	4,603	2,528
Other electric power business	**164**	**168**	**177**	**200**	**110**
Transmission	**582**	**551**	**549**	**554**	**407**
Total	**5,698**	**5,220**	**5,299**	**6,467**	**3,880**

【Generation Capacity (MW)】

	FY2005	FY2006	FY2007	FY2008	FY2009 3Q
Wholesale electric power business	**16,375.0**	**16,380.0**	**16,380.0**	**16,385.0**	**16,985.0**
Hydroelectric	8,550.5	8,555.5	8,555.5	8,560.5	8,560.5
Thermal	7,824.5	7,824.5	7,824.5	7,824.5	8,424.5
Other electric power business	**494.5**	**560.5**	**560.5**	**605.8**	**618.8**
Total	**16,869.5**	**16,940.5**	**16,940.5**	**16,990.8**	**17,603.8**

【Greenhouse Gas Emissions】

	Unit	FY2005	FY2006	FY2007	FY2008	FY2009 3Q
CO2 emissions (domestice and overseas power generation)*	million t-CO2	49.49	45.36	50.22	49.38	–
	kg-CO2/kWh	0.72	0.68	0.70	0.68	–

* Figures for CO2 emissions (domestic and overseas power generation) include all consolidated subsidiaries and joint venture companies.

Revenues and Expenses : Consolidated

(Unit: ¥100 million)

	FY2005	FY2006	FY2007	FY2008	FY2009 3Q
Operating revenues	**6,219**	**5,732**	**5,877**	**7,049**	**4,269**
Electric power operating revenues	**5,731**	**5,237**	**5,317**	**6,483**	**3,898**
Other operating revenues	**487**	**494**	**560**	**565**	**371**
Operating expenses	**5,204**	**4,961**	**5,370**	**6,478**	**3,901**
Electric power operating expenses	**4,697**	**4,444**	**4,778**	**5,888**	**3,503**
Personnel costs	212	272	377	436	269
Fuel costs	1,608	1,498	1,915	2,643	1,301
Repair and maintenance costs	387	411	304	514	346
Outsourcing costs	314	317	302	332	211
Depreciation and amortization costs	1,315	1,185	1,103	1,101	865
Others	859	758	774	859	509
Other operating expenses	**507**	**516**	**591**	**590**	**397**
Operating income	**1,014**	**771**	**507**	**571**	**368**
Non-operating revenues	**76**	**130**	**215**	**132**	**138**
Equity income of affiliates	20	55	88	74	92
Others	55	74	126	58	46
Non-operating expenses	**411**	**346**	**293**	**307**	**189**
Interest expenses	357	225	227	226	172
Others	54	120	66	81	17
Ordinary income	**679**	**555**	**428**	**395**	**317**

This material contains statements that constitute forward-looking statements, plans for the future and management targets, etc. relating to the Company and/or J-POWER group. These statements are made based on certain assumptions of future events, and there exist possibilities that such assumptions are objectively incorrect and that 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 ensure its accuracy or appropriateness.

電源開発株式会社

Electric Power Development Co., Ltd.

WWW.JPOWER.CO.JP