
Summary of FY2010 First Quarter Earnings Results



Electric Power Development Co., Ltd.

July 30, 2010

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 it is possible 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 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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Summary of FY2010 First Quarter Earnings Results

▶ Revenues Up, Income Down

(compared to the same period in the previous fiscal year)

(Unit: billion yen)

	FY2010 1st Quarter (Apr.-Jun.)	FY2009 1st Quarter (Apr.-Jun.)	Year-on-year change	
			Increase/ Decrease	Increase/ Decrease (%)
Operating Revenues (Cosolidated)	141.7	141.0	0.6	0.5%
(Non-consolidated)	132.8	129.5	3.2	2.5%
Operating Income (Cosolidated)	18.5	21.9	-3.4	-15.6%
(Non-consolidated)	17.1	20.9	-3.8	-18.4%
Ordinary Income (Cosolidated)	14.7	19.9	-5.2	-26.1%
(Non-consolidated)	14.6	18.1	-3.4	-19.1%
Net Income (Cosolidated)	0.4	13.3	-12.8	-96.3%
(Non-consolidated)	2.4	12.3	-9.9	-80.1%

Consolidated: Key Data



	FY2010 Actual (Apr.-Jun.)	FY2009 Actual (Apr.-Jun.)	Year-on-year change	
			Increase/ Decrease	Increase/ Decrease (%)
Electric Power Sales (100 million kWh)	138	100	38	38.3%
Hydroelectric (J-POWER)	33	22	10	49.0%
Thermal (J-POWER)	102	74	28	37.7%
IPP, for PPS, Wind Power	2	3	-0	-26.3%
Operating Revenues (Billion yen)	141.7	141.0	0.6	0.5%
Hydroelectric (J-POWER)	29.2	28.8	0.3	1.3%
Thermal (J-POWER)	85.6	84.8	0.8	1.0%
IPP, for PPS, Wind Power	2.2	3.5	-1.2	-34.9%
Transmission, Others	13.7	13.7	0.0	0.1%
Other Businesses	10.7	10.0	0.6	6.6%
Hydro: Water supply rate (%)	114%	77%	37% points	—
Thermal: Load factor (%)	60%	44%	16% points	—
Foreign exchange rate (Interbank rate, yen/US\$)	¥92	¥97	¥-5	—

▶ Operating Revenues (Hydroelectric)

+0.3 billion yen

- ✓ Improvement in water supply rate (77% ⇒ 114%)

▶ Operating Revenues (Thermal)*

+0.8 billion yen

- ✓ Higher load factor (44% ⇒ 60%)

* Provisional prices have been applied to fuel prices included in thermal electricity rates for the first quarter of fiscal 2009 and first quarter of fiscal 2010 since the majority of price negotiations had yet to be concluded with EPCOs at the time of the release of J-POWER's quarterly earnings. In fiscal 2010, as in the previous year, upon the conclusion of price negotiations, J-POWER intends to adjust any variation between the provisional price and established price for electricity rates retroactively to April 2010.

Consolidated: Key Points Regarding FY2010 First Quarter Earnings Results (Year-on-Year Comparison – Main Factors for Change)



Operating Income (-3.4 billion yen)

Increase factor

- ▶ Decrease in personnel expenses (due to a decrease in the amortization of the actuarial difference in retirement benefits , and others)

Decrease factor

- ▶ Increase in thermal power repair expenses: increase in periodic inspections for thermal power plants, etc.
(approx. 240 days ⇒ approx. 320 days in total)

Ordinary Income (-5.2 billion yen)

Decrease factors

- ▶ Decrease in equity income of overseas power generation business, and others
- ▶ Increase in other non-operating expenses

Net Income (-12.8 billion yen)

Increase factor

- ▶ Extraordinary Income resulting from gain on sales of securities

Decrease factors

- ▶ Extraordinary loss resulting from valuation loss on securities
- ▶ Extraordinary loss resulting from loss provision in relation to a guarantee of obligations for an IPP project in Thailand (Samet Tai sub-district)

Consolidated: Revenue / Expenditure Comparison

(Unit: billion yen)

	FY2010 1st Quarter (Apr.-Jun.)	FY2009 1st Quarter (Apr.-Jun.)	Year-on-year change Increase/ Decrease	Main factors for change
Operating Revenues	141.7	141.0	0.6	
Electric utility	131.0	131.0	-0.0	
Other business	10.7	10.0	0.6	
Operating Expenses	123.1	119.1	4.0	
Electric utility	111.4	107.7	3.7	
Personnel expenses	7.4	8.9	-1.5	Decrease in retirement allowance costs
Fuel cost	38.9	37.5	1.3	Increase in coal consumption
Repair expenses	15.3	9.9	5.3	Increase in periodic inspections for thermal power plants
Outsourcing expenses	7.1	6.5	0.5	
Depreciation / amortization	26.1	28.9	-2.8	Progress in depreciation
Other	16.5	15.6	0.8	
Other businesses	11.7	11.3	0.3	
Operating Income	18.5	21.9	-3.4	
Non-operating Revenues	3.1	4.2	-1.1	
Equity income of affiliates	1.8	2.4	-0.6	Decrease mainly in overseas power generation business
Other	1.2	1.8	-0.5	
Non-operating expenses	6.9	6.3	0.6	
Interest expenses	5.5	5.5	0.0	
Other	1.3	0.7	0.6	Booking of expenses relating to asset retirement obligations for the previous years
Ordinary Income	14.7	19.9	-5.2	

Consolidated: Cash Flow



▶ A decrease in cash flows from operating activities resulted in a free cash flow of -1.2 billion yen (a year-on-year decrease of 21.4 billion yen). There is no change in our initial full-year forecast (approximately 5.0 billion yen).

(Unit: billion yen)

	FY2010 1st Quarter (Apr.-Jun.)	FY2009 1st Quarter (Apr.-Jun.)	Year-on-year Increase/ Decrease	Main Factors for Change
Operating activities (A)	19.1	34.8	-15.7	Increase in inventories (coals) and accounts receivable-trade (electricity revenues), etc.
Investing activities (B)	-20.4	-14.6	-5.7	Mainly due to increase in investments and loans
Financing activities	-5.0	-19.8	14.7	Increase in commercial paper, decrease in corporate bonds
Free Cash Flow (A+B)	-1.2	20.1	-21.4	

Consolidated: Balance Sheet



▶ Shareholders' equity ratio edged slightly downwards compared to the end of fiscal 2009 (20.4% ⇒ 20.1%)

(Unit: billion yen)

	FY2010 End of Q1	FY2009 Actual (End of FY)	Change from prior year end Increase/ Decrease	Main Factors for Change
Assets				
Noncurrent assets	1,868.7	1,879.8	-11.0	
Electric utility plant and equipment	1,216.0	1,226.6	-10.5	Mainly due to progress in depreciation
Other noncurrent assets	52.4	49.6	2.8	
Construction in progress	305.1	309.7	-4.6	Increase in Ohma Nuclear, transferred to Electric utility plant and equipment, and others
Nuclear fuel	39.7	38.6	1.0	
Investments and other assets	255.2	255.1	0.1	
Current assets	160.1	144.2	15.8	Increase in inventories (coals) and accounts receivable-trade
Total	2,028.8	2,024.0	4.7	
Liabilities				
Interest-bearing debt	1,452.9	1,452.5	0.4	
Others	165.6	156.5	9.0	Booking of loss provision and asset retirement obligations
Total	1,618.5	1,609.0	9.4	
Net Assets				
Minority interests	1.8	2.3	-0.4	
Shareholders' equity	408.3	412.6	-4.3	Dividend of retained earnings
Total	410.2	414.9	-4.7	
Grand Total	2,028.8	2,024.0	4.7	
D/E ratio (x)	3.6	3.5		
Shareholders' equity ratio	20.1%	20.4%		

Summary of FY2010 Earnings Forecast



▶ Revision of Full-Year Earnings Forecast*1

J-POWER revises net income downwards in view of extraordinary losses booked during the first quarter.

Full-year Earnings Forecast of FY2010

(Unit: Billion yen)

	FY2010		FY2009	Comparison with FY2009 result	Comparison with the initial forecast*2
	Current Forecast	Initial Forecast*2	Actual	Increase/Decrease	Increase/Decrease
Operating Revenues (Consolidated)	626.0	626.0	584.4	41.5	0.0
(Non-consolidated)	573.0	573.0	530.4	42.5	0.0
Operating Income (Consolidated)	54.0	54.0	48.9	5.0	0.0
(Non-consolidated)	49.0	49.0	40.9	8.0	0.0
Ordinary Income (Consolidated)	41.0	41.0	41.6	-0.6	0.0
(Non-consolidated)	30.0	30.0	23.7	6.2	0.0
Net Income (Consolidated)	19.0	27.0	29.1	-10.1	-8.0
(Non-consolidated)	13.0	20.0	16.3	-3.3	-7.0

*1 We have also revised our earnings forecast for the first half of the fiscal year. For details, please see “Notice Regarding Revisions to the Earnings Forecasts” (released on July 30, 2010).

*2 The Initial Forecast is the earnings forecast released on April 30, 2010.

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- ▶ On July, 2010, Thai Government decided on the guideline below at a Cabinet meeting.
 - ✓ As a solution to resolve the problem of location, the location planned for construction of the power plant should be changed;
 - ✓ In line with the above, the Power Purchase Agreement (PPA) with the Electricity Generating Authority of Thailand (EGAT) should be revised.
- ▶ Going forward, J-POWER will confirm the details of this decision and then study the feasibility and economic potential of the project in the event that the planned location for construction of the power plant is changed.

Details of Development of New IPP/SPP Projects in Thailand

December, 2007

Samet Tai Nong Saeng Successful tender based on Thailand's electric power development plan (PDP) 2007

October, 2008

Samet Tai Nong Saeng PPAs signed with EGAT

March, 2009

Samet Tai Start of operation postponed 1 year, due to revision of Thailand's PDP 2007

November, 2009

7 SPP PPAs signed with EGAT

July, 2010

Samet Tai Cabinet decision by Thai government to change planned construction site, and others

Project overview of New IPP/SPP in Thailand

IPP project (Samet Tai site)

Location	Samet tai district, Chachoengsao province
Type, output	Gas thermal power plant, 1,600MW (800MW×2units)
Start of commercial operation	2013 (planned)

IPP project (Nong Saeng site)

Location	Nong Saeng district, Saraburi province
Type, output	Gas thermal power plant, 1,600MW (800MW×2units)
Start of commercial operation	2014 (planned)

7 SPP projects

Location	In/near industrial zones in Saraburi, Chachoengsao, and others
Type, output	Gas thermal power plant, Total 780MW (110MW×6 projects, 120MW×1 project)
Start of commercial operation	Sep.2012 - Sep. 2013 (planned)

Major Financial Data (Consolidated)



(Unit: ¥100 million)

	FY2006	FY2007	FY2008	FY2009	FY2009 1Q	FY2010 1Q
《 P L 》						
Operating revenues	5,732	5,877	7,049	5,844	1,410	1,417
(EBITDA) ※1	2,002	1,657	1,717	1,692	519	456
Operating income	771	507	571	489	219	185
Ordinary income	555	428	395	416	199	147
Net income	351	293	194	291	133	4
《 B S 》						
Shareholders' equity	4,611	4,663	3,801	4,126	4,017	4,083
Total assets	19,997	20,131	20,054	20,240	20,124	20,288
Interest-bearing liabilities	14,215	14,238	14,707	14,525	14,580	14,529
《 C F 》						
Cash flows from operating activities	1,572	1,362	1,586	1,691	348	191
Cash flows from investing activities	-1,554	-1,525	-1,323	-1,295	-146	-204
Cash flows from financing activities	-21	171	-296	-303	-198	-50
FCF ※2	18	-162	262	396	201	-12
Depreciation	1,230	1,150	1,146	1,203	299	271
Capital expenditures	907	1,220	1,721	1,122	255	151
《Group Employees》						
Numbers employed	6,494	6,524	6,581	6,701	-	-

※1 EBITDA = Operating income + Depreciation

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

Key Ratios and Key Data



【 Key Ratios: Consolidated 】	FY2006	FY2007	FY2008	FY2009	FY2009 1Q	FY2010 1Q
Ordinary Income/Operating Revenues(%)	9.7%	7.3%	5.6%	7.1%	14.1%	10.4%
Shareholders' equity ratio(%)	23.1%	23.2%	19.0%	20.4%	20.0%	20.1%
D/E ratio	3.1	3.1	3.9	3.5	3.6	3.6
ROE(%)※1	7.9%	6.3%	4.6%	7.4%	-	-
ROA(%)※2	2.8%	2.1%	2.0%	2.1%	-	-
EPS(¥)	211.14	175.99	121.65	194.26	89.23	3.28
BPS(¥)	2,768.95	2,800.18	2,533.28	2,750.20	2,677.52	2,721.41

※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 】	FY2006	FY2007	FY2008	FY2009	FY2009 1Q	FY2010 1Q
Amount of coal consumption (10 thousand ton)	1,857	2,023	1,940	1,814	-	-
Load factor of coal-fired thermal power plants (%)	75%	81%	76%	68%	44%	60%
Water supply rate (%)	112%	85%	88%	96%	77%	114%
Australian coal price (FOB, US\$) ※1	52.0 ~ 53.0	55.0 ~ 56.0	125.0	71.0	71.0	97.0 ~ 98.0
Average exchange rate (¥/US\$) ※2	117	114	101	93	97	92

※1:Reference price

※2:TTM

Electricity Sales, Revenues and Generation Capacity

(Domestic, consolidated)



【Electricity Sales (million kWh)】

	FY2006	FY2007	FY2008	FY2009	FY2009 1Q	FY2010 1Q
Wholesale electric power business	58,672	60,786	57,532	55,760	9,702	13,614
Hydroelectric	10,633	8,287	8,384	9,214	2,238	3,337
Thermal	48,039	52,499	49,147	46,546	7,463	10,277
Other electric power business	1,657	1,682	1,616	1,477	306	225
Total	60,329	62,469	59,148	57,238	10,008	13,840

【Electric Power Revenues (100 million yen)】

	FY2006	FY2007	FY2008	FY2009	FY2009 1Q	FY2010 1Q
Wholesale electric power business	4,500	4,572	5,712	4,586	1,137	1,149
Hydroelectric	1,234	1,145	1,109	1,089	288	292
Thermal	3,265	3,427	4,603	3,496	848	856
Other electric power business	168	177	200	147	35	22
Transmission	551	549	554	544	135	135
Total	5,220	5,299	6,467	5,278	1,308	1,308

【Generation Capacity (MW)】

	FY2006	FY2007	FY2008	FY2009	FY2009 1Q	FY2010 1Q
Wholesale electric power business	16,380.0	16,380.0	16,385.0	16,987.5	16,385.0	16,992.5
Hydroelectric	8,555.5	8,555.5	8,560.5	8,560.5	8,560.5	8,565.5
Thermal (incl. geothermal)	7,824.5	7,824.5	7,824.5	8,427.0	7,824.5	8,427.0
Other electric power business	560.5	560.5	605.8	622.5	605.8	656.5
Total	16,940.5	16,940.5	16,990.8	17,610.0	16,990.8	17,649.0

【Greenhouse Gas Emissions】

	Unit	FY2006	FY2007	FY2008	FY2009	FY2009 1Q	FY2010 1Q
CO2 emissions (domestic and overseas power generation)*	million t-CO2	44.91	49.86	49.07	46.52	-	-
	kg-CO2/kWh	0.68	0.70	0.69	0.66	-	-

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

Consolidated Revenues and Expenses



(Unit : ¥100 million)

	FY2006	FY2007	FY2008	FY2009	FY2009 1Q	FY2010 1Q
Operating revenues	5,732	5,877	7,049	5,844	1,410	1,417
Electric power operating revenues	5,237	5,317	6,483	5,302	1,310	1,310
Other operating revenues	494	560	565	541	100	107
Operating expenses	4,961	5,370	6,478	5,355	1,191	1,231
Electric power operating expenses	4,444	4,778	5,888	4,786	1,077	1,114
Personnel costs	272	377	436	362	89	74
Fuel costs	1,498	1,915	2,643	1,780	375	389
Repair and maintenance costs	411	304	514	444	99	153
Outsourcing costs	317	302	332	320	65	71
Depreciation and amortization costs	1,185	1,103	1,101	1,160	289	261
Others	758	774	859	716	156	165
Other operating expenses	516	591	590	568	113	117
Operating income	771	507	571	489	219	185
Non-operating revenues	130	215	132	187	42	31
Equity income of affiliates	55	88	74	117	24	18
Others	74	126	58	70	18	12
Non-operating expenses	346	293	307	259	63	69
Interest expenses	225	227	226	230	55	55
Others	120	66	81	28	7	13
Ordinary income	555	428	395	416	199	147

Wholesale Electric Power Business: Monthly Electricity Sales (Thermal Power)



▶ Apr.2009 - Mar.2010 Results (Cumulative)

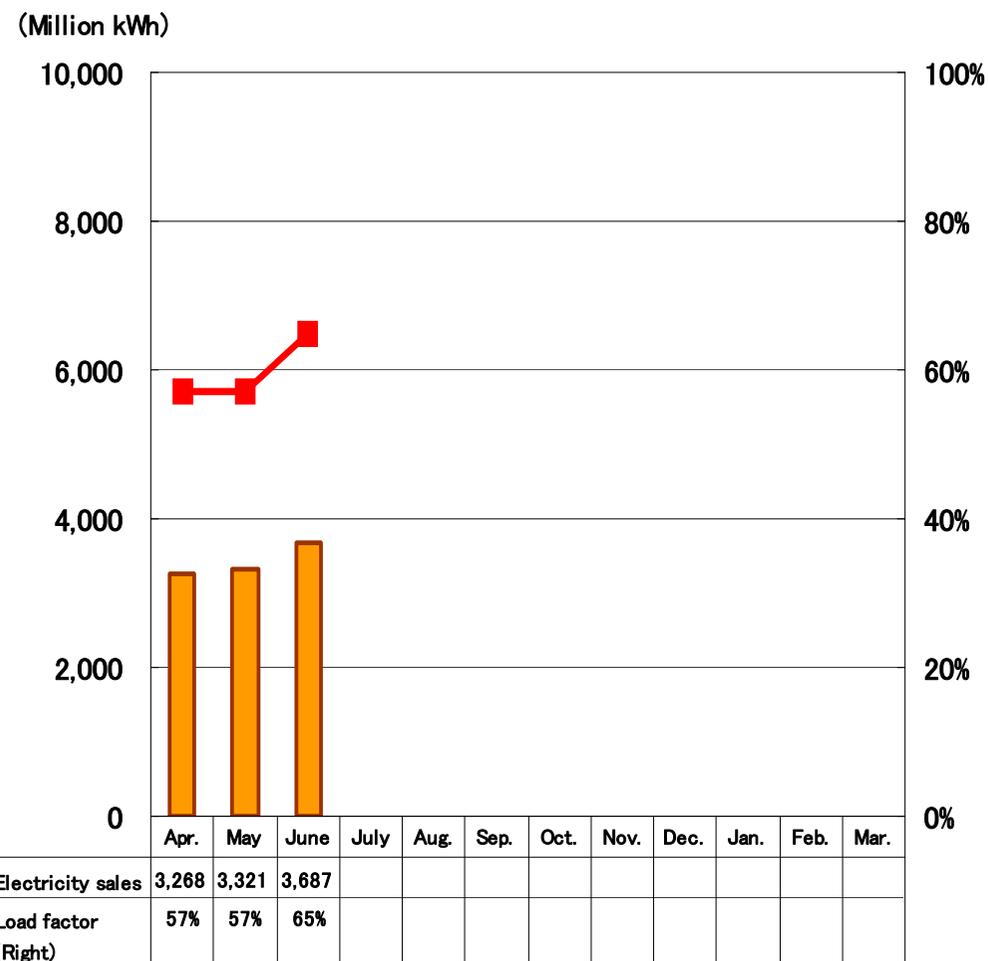
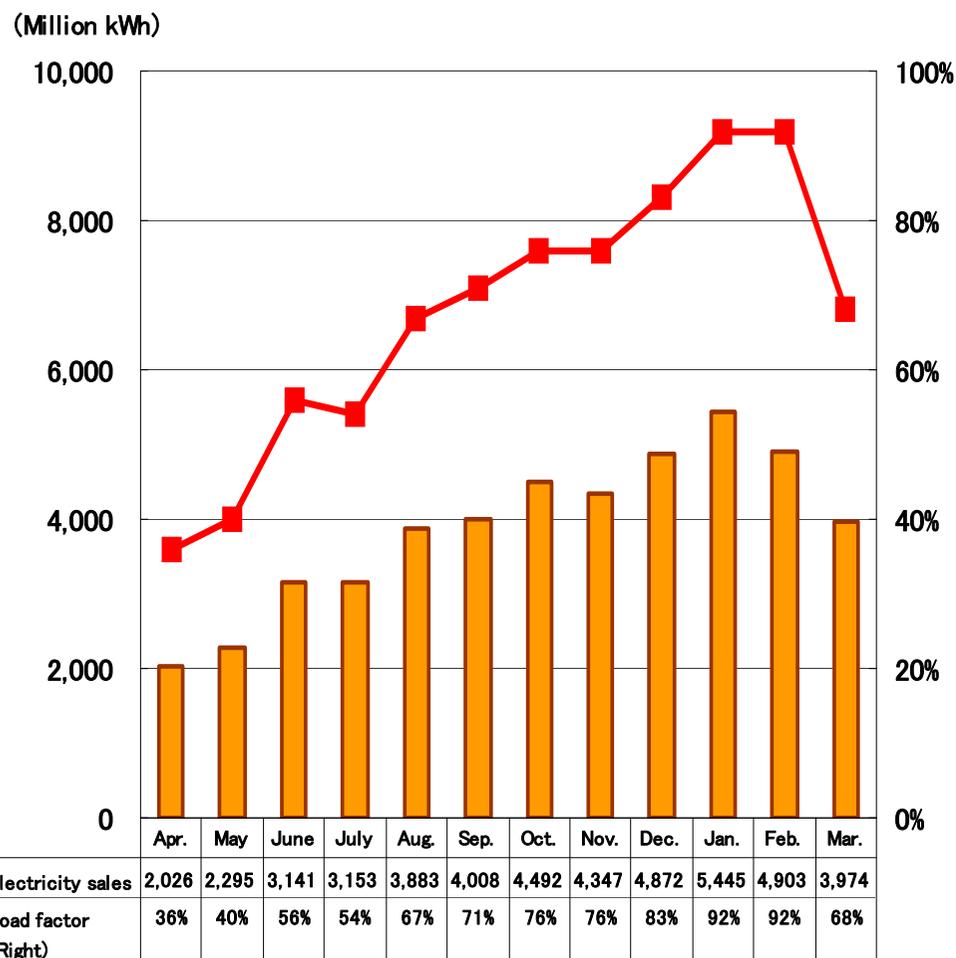
Load factor 68 %
Electricity sales 46.5B kWh

▶ Apr.2010 – Jun.2010 Results (Cumulative)

Load factor 60 %
Electricity sales 10.2B kWh

Thermal Power: Monthly Electricity Sales

Thermal Power: Monthly Electricity Sales



*) Electricity sales also include electricity generated for the test run at the Isogo New No.2 (Jan. 2009 to Jul. 2009).

Wholesale Electric Power Business: Monthly Electricity Sales (Hydroelectric Power)



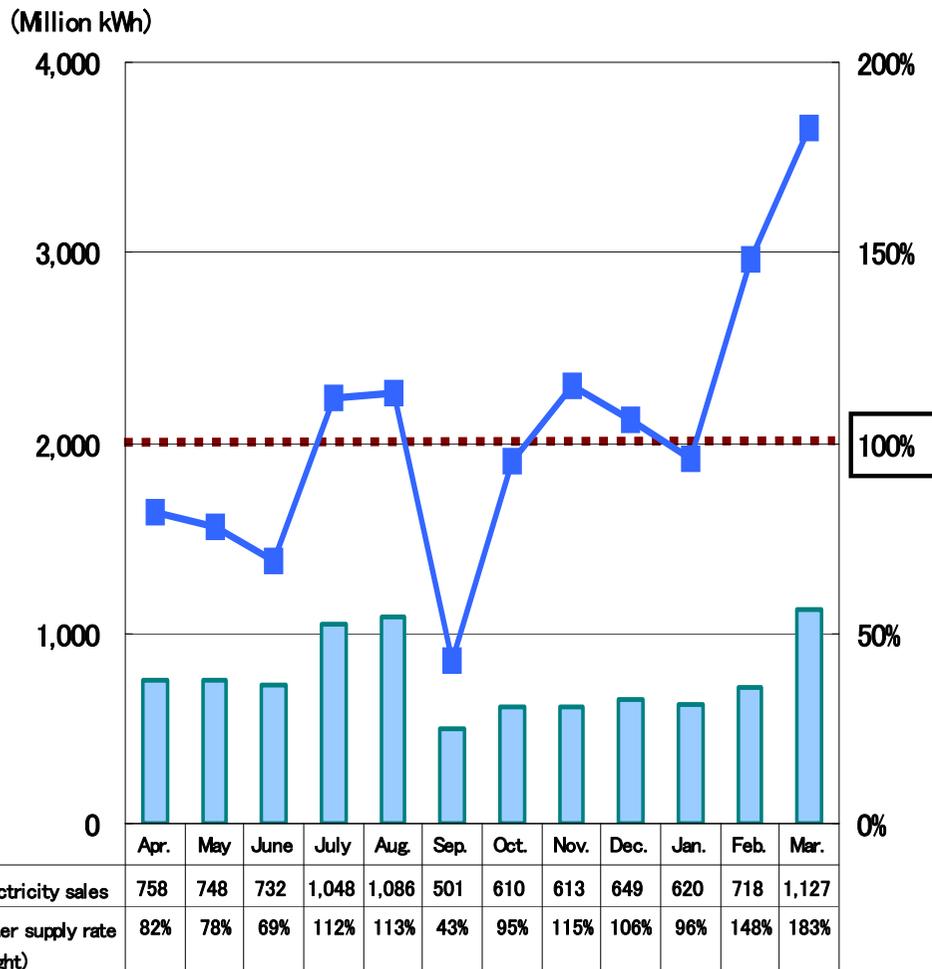
▶ Apr.2009 - Mar.2010 Results (Cumulative)

Water supply rate 96 %
Electricity sales 9.2B kWh

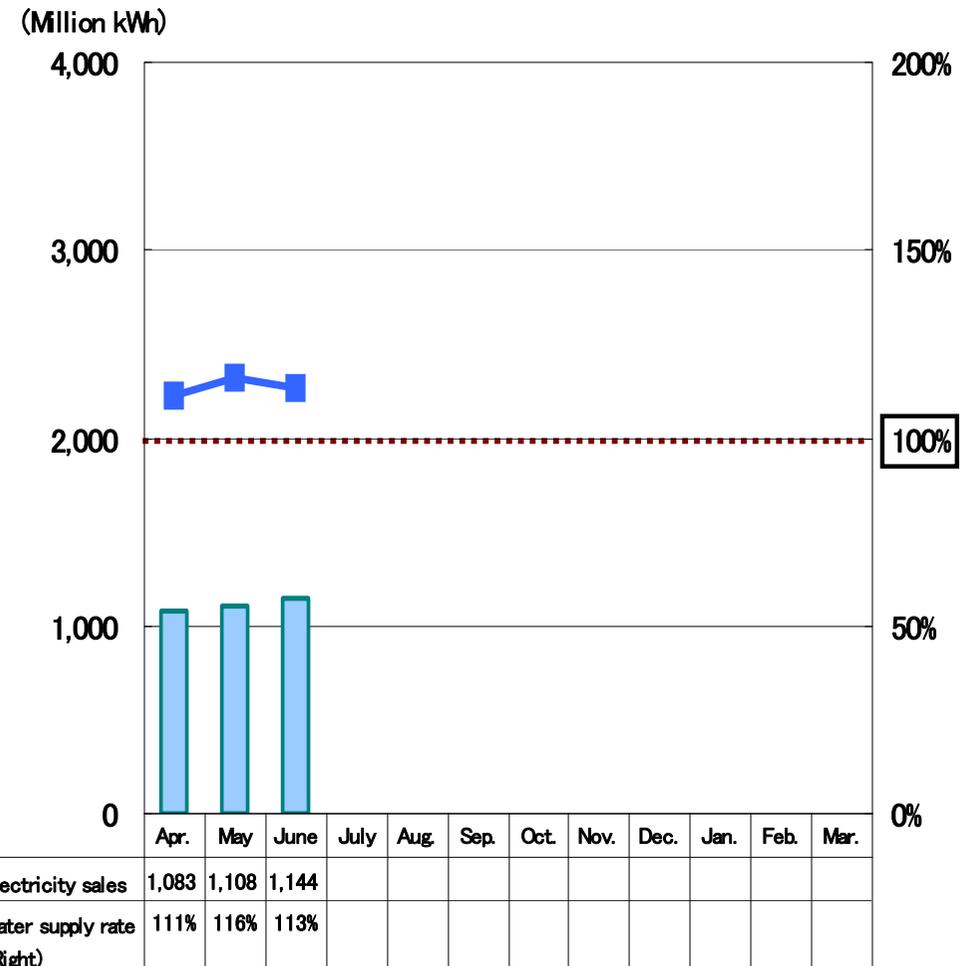
▶ Apr.2010 - Jun.2010 Results (Cumulative)

Water supply rate 114 %
Electricity sales 3.3B kWh

Hydroelectric Power: Monthly Electricity Sales

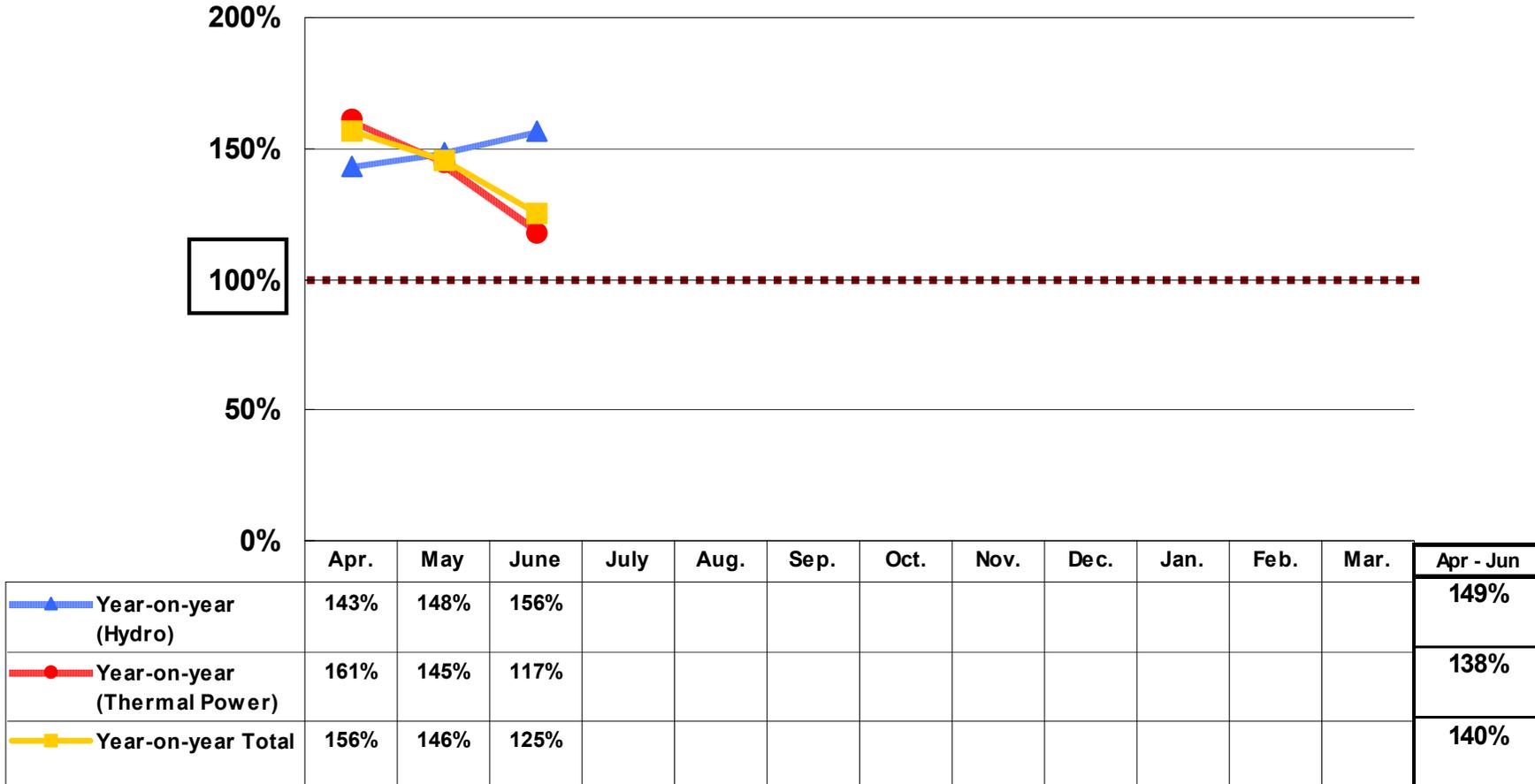


Hydroelectric Power: Monthly Electricity Sales





Year-on-year Comparison of Monthly Electricity Sales :
Thermal Power and Hydroelectric Power



Other Electric Power Businesses: Monthly Electricity Sales



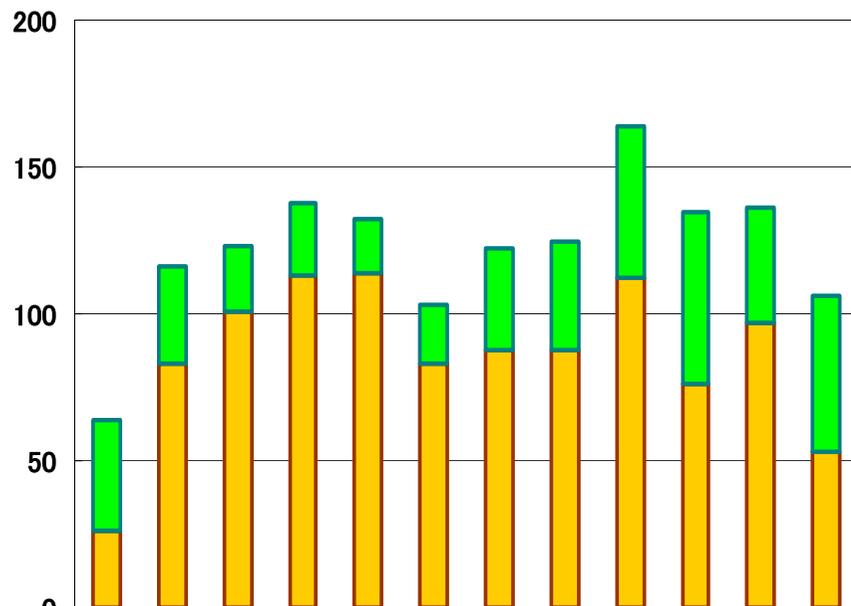
▶ Other Electric Power Businesses (IPP, for PPS, Wind Power):

Total Electricity Sales
(Cumulative Apr.2009 - Mar.2010)
1.4B kWh

Total Electricity Sales
(Cumulative Apr.2010 - Jun.2010)
0.2B kWh

Other Electric Power Businesses:
Monthly Electricity Sales

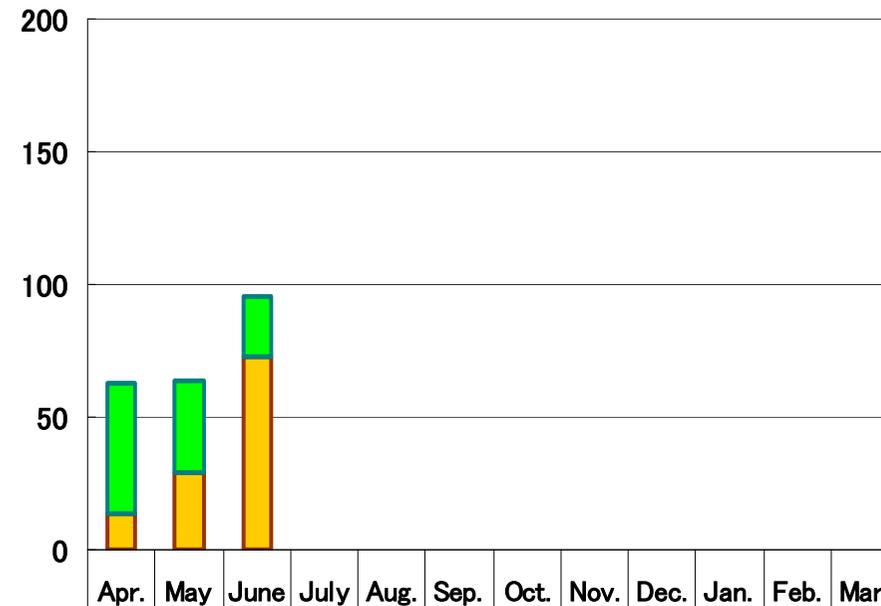
(Million kWh)



Wind Power Electricity Sales	38	33	22	25	18	20	34	37	52	59	39	53
Thermal Power (IPP,for PPS) Electricity Sales	26	83	101	113	114	83	88	88	112	76	97	53

Other Electric Power Businesses:
Monthly Electricity Sales

(Million kWh)



Wind Power Electricity Sales	49	35	22									
Thermal Power (IPP,for PPS) Electricity Sales	14	29	73									

Note: Does not take proportion of equity holdings into account



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