

Summary of FY2010 Third Quarter Earnings Results



Electric Power Development Co., Ltd.

January 31, 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 Third Quarter Earnings Results

Summary of FY2010 Third Quarter Earnings Results



- ▶ **Revenues Up, Income Up** (compared to the same period in previous fiscal year)
 - ✓ Revenue increased due mainly to an increase in electricity sales volumes resulting from satisfactory operating rates of 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 and reduction of personnel expenses.

(Unit: billion yen)

	FY2010	FY2009	Year-on-year change	
			3rd Quarter (Apr.-Dec.)	3rd Quarter (Apr.-Dec.)
Operating Revenues (Cosolidated)	468.9	426.9	42.0	9.8%
	(Non-consolidated) 433.2	389.6	43.5	11.2%
Operating Income (Cosolidated)	66.3	36.8	29.4	79.9%
	(Non-consolidated) 62.4	31.5	30.8	98.0%
Ordinary Income (Cosolidated)	56.5	31.7	24.7	77.8%
	(Non-consolidated) 49.2	18.9	30.2	159.6%
Net Income (Cosolidated)	23.7	22.3	1.3	6.2%
	(Non-consolidated) 19.7	13.6	6.1	45.0%

Consolidated: Key Data



	FY2010 3rd Quarter (Apr.-Dec.)	FY2009 3rd Quarter (Apr.-Dec.)	Year-on-year change	
			Increase/ Decrease	Increase/ Decrease (%)
Electric Power Sales (100 million kWh)	486	400	86	21.5%
Hydroelectric (J-POWER)	83	67	15	23.6%
Thermal (J-POWER)	394	322	71	22.3%
IPP, for PPS, Wind Power	9	10	-1	-15.9%
Operating Revenues (Billion yen)	468.9	426.9	42.0	9.8%
Hydroelectric (J-POWER)	83.7	83.3	0.3	0.4%
Thermal (J-POWER)	299.7	252.8	46.8	18.5%
IPP, for PPS, Wind Power	8.8	11.0	-2.1	-19.4%
Transmission	40.7	40.7	-0.0	-0.0%
Other Businesses, etc.	35.9	38.9	-3.0	-7.8%
Hydro: Water supply rate (%)	109%	87%	22 points	—
Thermal: Load factor (%)	76%	62%	14 points	—
Average foreign exchange rate (Interbank rate, yen/US\$)	87	94	-7	—

▶ Operating Revenues (Hydroelectric)

+0.3 billion yen

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

▶ Operating Revenues (Thermal)

+46.8 billion yen

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

Operating Income (+29.4 billion yen)

Increase factors

- ▶ Elimination of impact of lower thermal power utilization in FY2009
- ▶ Fuel cost reduction effects due to coal inventories on hand at the beginning of the year
- ▶ Decrease in personnel expenses
(Decrease in the amortization of the actuarial difference in retirement benefits, and others)
- ▶ Decrease in repair expenses
- ▶ Improvement in other operating items
(Improvement in a water supply rate, effects of higher thermal power utilization, and others)

Ordinary Income (+24.7 billion yen)

Decrease factor

- ▶ Decrease in equity income of overseas power generation business, and others

Net Income (+1.3 billion yen)

Increase and decrease factors

- ▶ Extraordinary income and extraordinary losses resulting from gain on sales of securities and valuation losses
- ▶ Extraordinary losses resulting from provision for loss on guarantees and loss on business liquidation in relation to an IPP project in Thailand (Samet Tai sub-district)
- ▶ Extraordinary losses resulting from impairment losses on noncurrent assets of Ichihara Power Co., Ltd

Consolidated: Revenue / Expenditure Comparison

(Unit: billion yen)

	FY2010	FY2009	Year-on-year change Increase/ Decrease	Main factors for change
	3rd Quarter (Apr.-Dec.)	3rd Quarter (Apr.-Dec.)		
Operating Revenues	468.9	426.9	42.0	
Electric utility	434.2	389.8	44.4	Higher load factor at thermal power plants
Other business	34.7	37.1	-2.4	Drop in coal sales
Operating Expenses	402.6	390.1	12.5	
Electric utility	364.7	350.3	14.3	
Personnel expenses	22.3	26.9	-4.5	Decrease in retirement allowance costs
Fuel cost	154.8	130.1	24.6	Increase in coal consumption
Repair expenses	33.4	34.6	-1.1	
Outsourcing expenses	21.4	21.1	0.3	
Depreciation / amortization	80.0	86.5	-6.4	Progress in depreciation
Other	52.5	50.9	1.5	Increase in waste treatment expenses
Other businesses	37.9	39.7	-1.8	Reduction in cost of sales due to drop in coal sales
Operating Income	66.3	36.8	29.4	
Non-operating Revenues	10.5	13.8	-3.3	
Equity income of affiliates	7.3	9.2	-1.8	Decrease in overseas power generation business
Other	3.1	4.6	-1.4	
Non-operating expenses	20.3	18.9	1.3	
Interest expenses	16.7	17.2	-0.4	
Other	3.6	1.7	1.8	Booking of expenses relating to asset retirement obligations for the previous years
Ordinary Income	56.5	31.7	24.7	

Consolidated: Cash Flow



▶ Free cash flow came to positive 26.1 billion yen for the third quarter (a year-on-year increase of 14.9 billion yen), and is expected to be approximately positive 20.0 billion yen for the full year. (The prior forecast : approximately positive 10.0 billion yen)

(Unit: billion yen)

	FY2010 3rd Quarter (Apr.-Dec.)	FY2009 3rd Quarter (Apr.-Dec.)	Year-on-year Increase/ Decrease	Main Factors for Change
Operating activities (A)	99.3	102.2	-2.8	Increase in inventories (coals) and accounts receivable-trade (electricity revenues), and increase in income before income taxes, etc.
Investing activities (B)	-73.1	-90.9	17.7	Decrease in capital expenditure, and others
Financing activities	-23.7	-13.7	-10.0	Increase in redemption of corporate bonds and decrease in issue of commercial paper
Free Cash Flow (A+B)	26.1	11.2	14.9	

* The Prior Forecast is the revised earnings forecast released on October 29, 2010.

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. Though current assets including accounts receivable-trade (electricity revenues) and coal inventories increased, total assets decreased 8.6 billion yen from the end of the previous fiscal year.
- ▶ Shareholders' equity ratio is 20.8%. (up 0.4% compared to the end of FY2009)

(Unit: billion yen)

	FY2010 End of 3Q	FY2009 Actual (End of FY)	Change from prior year end Increase/ Decrease	Main Factors for Change	
Assets	Noncurrent assets	1,833.3	1,879.8	-46.4	
	Electric utility plant and equipment	1,188.3	1,226.6	-38.3	Mainly due to progress in depreciation
	Other noncurrent assets	55.7	49.6	6.1	
	Construction in progress	290.7	309.7	-18.9	Increase in Ohma Nuclear, transferred to Electric utility plant and equipment, and others
	Nuclear fuel	45.3	38.6	6.6	Procurement of fuel assembly
	Investments and other assets	253.0	255.1	-2.0	
	Current assets	182.0	144.2	37.8	Increase in accounts receivable-trade (electricity revenues) and inventories (coals)
Total	2,015.4	2,024.0	-8.6		
Liabilities	Interest-bearing debt	1,438.5	1,452.5	-13.9	Decrease in commercial paper and loans
	Others	158.1	156.5	1.6	
	Total	1,596.7	1,609.0	-12.3	
Net Assets	Minority interests	-0.8	2.3	-3.1	
	Shareholders' equity	419.5	412.6	6.8	Increase in retained earnings, negative effect of valuation and translation adjustments
	Total	418.7	414.9	3.7	
Grand Total	2,015.4	2,024.0	-8.6		
D/E ratio (x)	3.4	3.5			
Shareholders' equity ratio	20.8%	20.4%			

II . Summary of FY2010 Earnings Forecast

Summary of FY2010 Earnings Forecast



- ▶ J-POWER revised upwards both operating income and ordinary income in view of higher thermal power utilization and lower facilities maintenance costs.
- ▶ Net income was revised downwards due to extraordinary losses booked during the third quarter.

(Unit: Billion yen)

	FY2010		FY2009	Comparison with FY2009 result		Comparison with the prior forecast*
	Current Forecast	Prior Forecast*	Actual	Increase/Decrease	Increase/Decrease (%)	Increase/Decrease
Operating Revenues (Consolidated)	631.0	631.0	584.4	46.5	8.0%	0.0
(Non-consolidated)	581.0	579.0	530.4	50.5	9.5%	2.0
Operating Income (Consolidated)	62.0	57.0	48.9	13.0	26.7%	5.0
(Non-consolidated)	55.0	52.0	40.9	14.0	34.5%	3.0
Ordinary Income (Consolidated)	49.0	44.0	41.6	7.3	17.5%	5.0
(Non-consolidated)	36.0	33.0	23.7	12.2	51.3%	3.0
Net Income (Consolidated)	20.0	21.0	29.1	-9.1	-31.4%	-1.0
(Non-consolidated)	13.0	15.0	16.3	-3.3	-20.6%	-2.0

FY2010
Dividends Forecast

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

* The Prior Earnings Forecast is the revised earnings forecast released on October 29, 2010.

Consolidated: Key Data



	FY2010		FY2009	Year-on-year change	Comparison with the prior forecast*
	Current Forecast (Apr.-Mar.)	Prior Forecast* (Apr.-Mar.)	Actual (Apr.-Mar.)	Increase/Decrease	Increase/Decrease
Electric Power Sales (100 million kWh)	655	640	572	83	15
Hydroelectric (J-POWER) (Included)	103	103	92	11	0
Thermal (J-POWER) (Included)	537	522	465	72	14
Operating Revenues (Billion yen)	631.0	631.0	584.4	46.5	0.0
Hydroelectric (J-POWER) (Included)	109.0	109.0	108.9	0.0	0.0
Thermal (J-POWER) (Included)	404.0	404.0	349.6	54.3	0.0
Hydro: Water supply rate (%)	108%	105%	96%	12 points	3 points
Thermal: Load factor (%)	78%	76%	68%	10 points	2 points
Average foreign exchange rate (Interbank rate, yen/US\$)	Approx.86	Approx.90	93	-Approx.7	-Approx.4

▶ **Operating Revenues (Hydroelectric)**
+0.0 billion yen
(year-on-year)

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

▶ **Operating Revenues (Thermal)**
+54.3 billion yen
(year-on-year)

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

* The Prior Forecast is the revised earnings forecast released on October 29, 2010.

Consolidated: Key Points Regarding FY2010 Earnings Forecast

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



(Unit: Billion yen)

		Current forecast	Prior Forecast*	Prior Forecast ⇒ Current Forecast		
				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	+7.0	+7.0	0	
		Improvement in other operating items	+8.5	+5.5	+3.0	Effects of higher thermal power utilization
		Increase in facilities maintenance costs	-3.0	-5.0	+2.0	Influence of percentage of completion method
		Increase in expenses incurred for measures to address CO ₂ , and technology development	-2.5	-2.5	0	
		Decrease in profits of subsidiaries	-3.0	-3.0	0	
	Non-operating factors	Decrease in equity income	-3.0	-3.0	0	
		Deterioration in other non-operating items	-2.5	-2.5	0	
	Year-on-year change Total ...(b)		+7.5	+2.5	+5.0	
	FY2010 Ordinary Income (forecast) ...(c)=(a)+(b)		49.0	44.0	+5.0	

* The Prior Earnings Forecast is the revised earnings forecast released on October 29, 2010.

Overseas Power Generation Business: Earnings Contribution Forecast



▶ Equity income during the third quarter came to 7.4 billion yen due to the impact of periodic inspections at some power plants (year-on-year decrease 1.3 billion yen). The full year forecast is expected to be approximately 9.0 billion yen.

Update

▶ United States

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

▶ Thailand

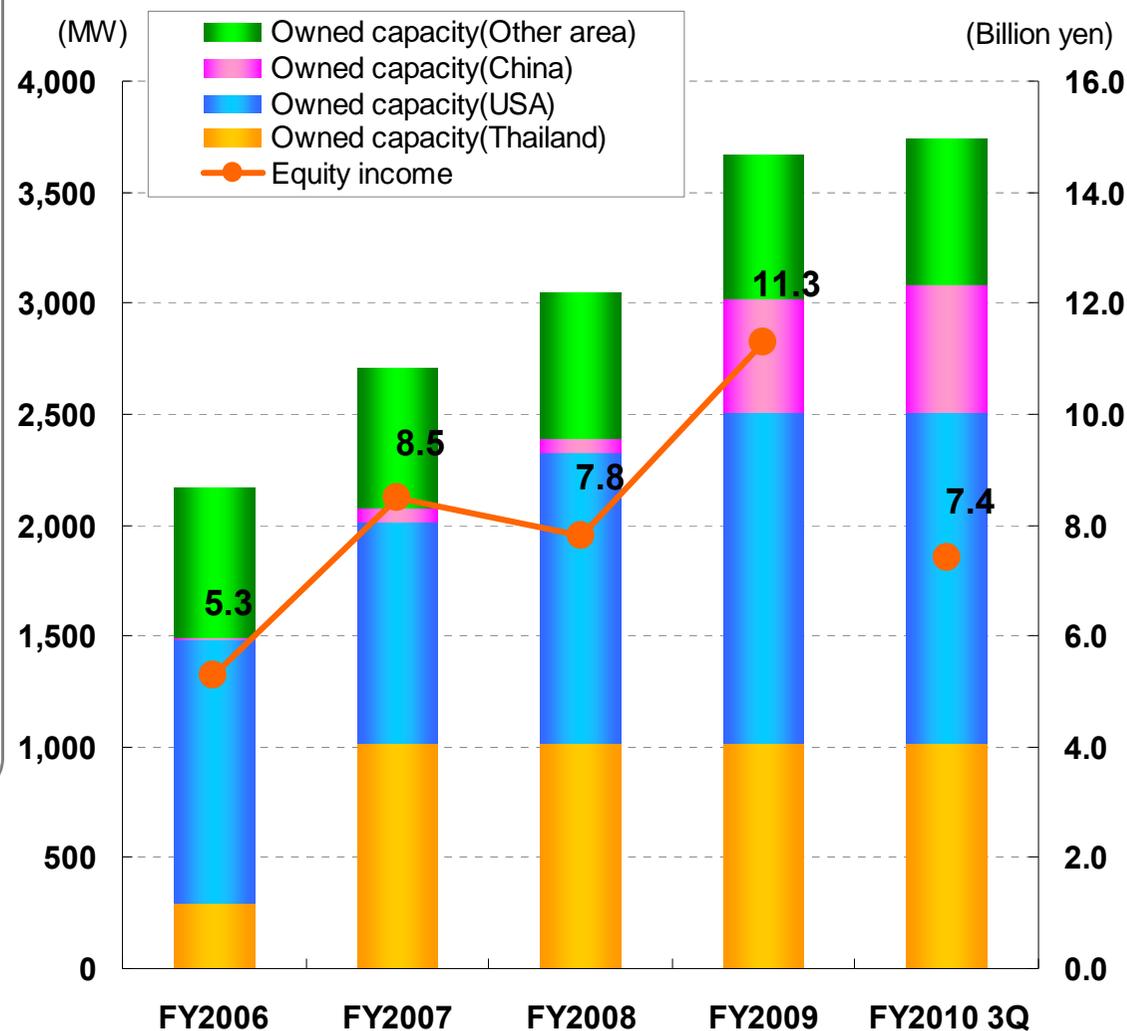
July. 2010 Regarding the IPP business (1,600MW) at the Samet Tai site, the Thai government decided on a guideline to change the planned construction location for the power plant and to revise the Power Purchase Agreement (PPA).

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/US\$	Yen/THB
The end of FY2009	¥92	¥2.8
The end of 3Q FY2010	¥84	¥2.8
The end of FY2010	¥81	¥2.7

Capacity of Overseas Facilities in Operation (On an equity basis) and Equity Income



* The Owned capacity from FY2006 to FY2009 are as of the ends of March. One of the third quarter of FY2010 is as of the end of December.

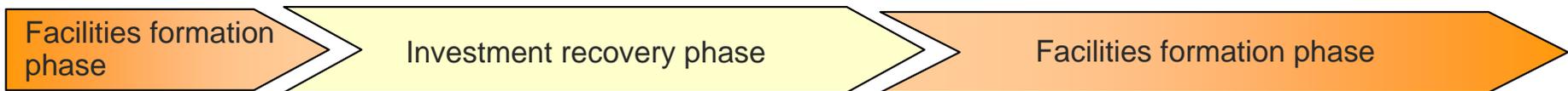
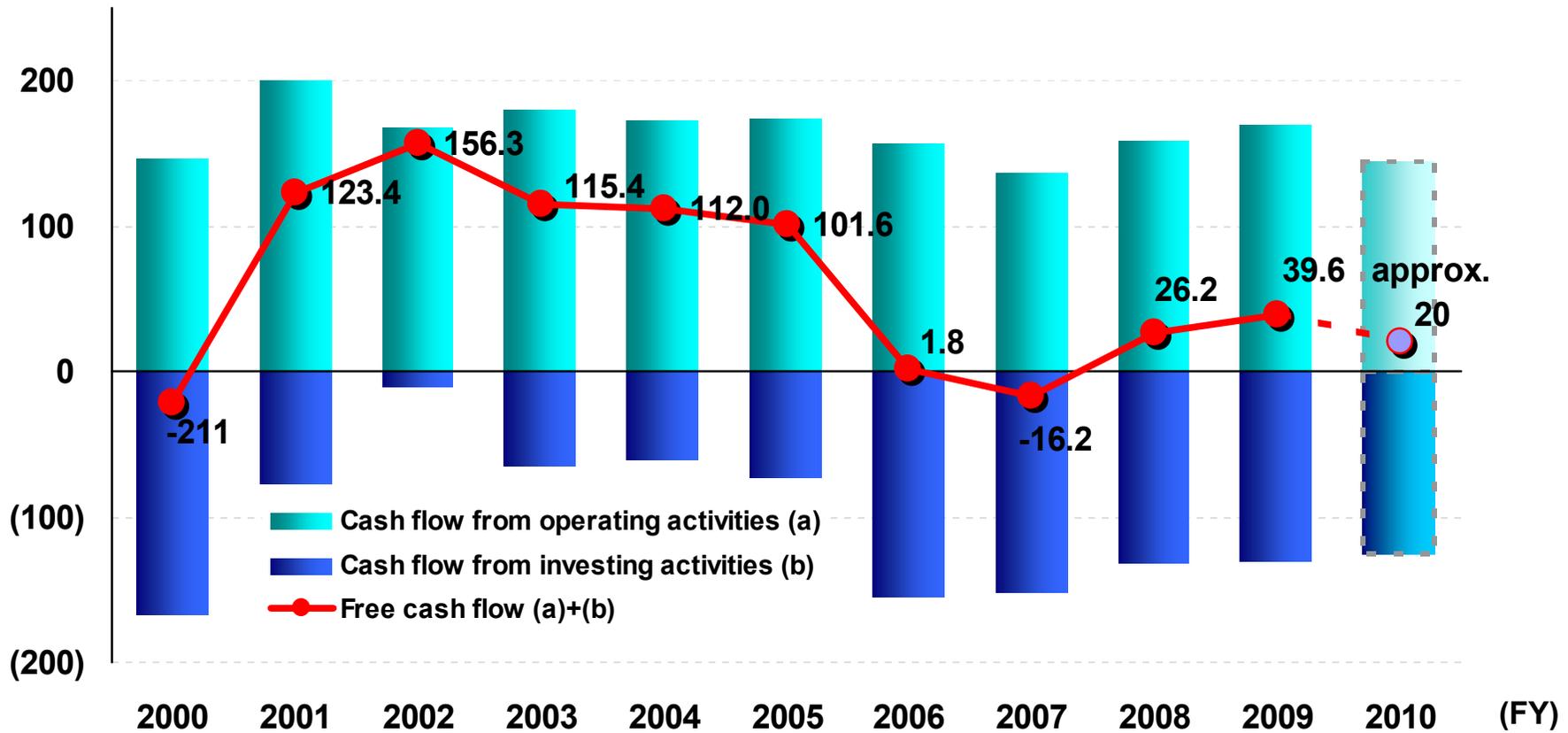
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Consolidated: Cash Flow Forecast



(billion yen)



* Figure of FY2010 is forecast.

Consolidated: Major Financial Data



(Unit: ¥100 million)

	FY2006	FY2007	FY2008	FY2009	FY2009 3Q	FY2010 3Q
《 P L 》						
Operating revenues	5,732	5,877	7,049	5,844	4,269	4,689
(EBITDA) ※1	2,002	1,657	1,717	1,692	1,265	1,497
Operating income	771	507	571	489	368	663
Ordinary income	555	428	395	416	317	565
Net income	351	293	194	291	223	237
《 B S 》						
Shareholders' equity	4,611	4,663	3,801	4,126	3,997	4,195
Total assets	19,997	20,131	20,054	20,240	20,270	20,154
Interest-bearing liabilities	14,215	14,238	14,707	14,525	14,688	14,385
《 C F 》						
Cash flows from operating activities	1,572	1,362	1,586	1,691	1,022	993
Cash flows from investing activities	-1,554	-1,525	-1,323	-1,295	-909	-731
Cash flows from financing activities	-21	171	-296	-303	-137	-237
FCF ※2	18	-162	262	396	112	261
Depreciation	1,230	1,150	1,146	1,203	896	833
Capital expenditures	907	1,220	1,721	1,122	779	551
《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 3Q	FY2010 3Q
Ordinary Income/Operating Revenues(%)	9.7%	7.3%	5.6%	7.1%	7.4%	12.1%
Shareholders' equity ratio(%)	23.1%	23.2%	19.0%	20.4%	19.7%	20.8%
D/E ratio	3.1	3.1	3.9	3.5	3.7	3.4
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	149.02	158.32
BPS(¥)	2,768.95	2,800.18	2,533.28	2,750.20	2,663.83	2,795.84

※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

【 Key Data 】	FY2006	FY2007	FY2008	FY2009	FY2009 3Q	FY2010 3Q
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%	62%	76%
Water supply rate (%)	112%	85%	88%	96%	87%	109%
Australian coal price (FOB, US\$) ※1	52.0 ~ 53.0	55.0 ~ 56.0	125.0	71.0	71.0	97 ~ 98
Average exchange rate (¥/US\$) ※2	117	114	101	93	94	87

※1: Reference price

※2: TTM

Consolidated: Electricity Sales, Revenues and Generation Capacity (Domestic)



【Electricity Sales (million kWh)】

	FY2006	FY2007	FY2008	FY2009	FY2009 3Q	FY2010 3Q
Wholesale electric power business	58,672	60,786	57,532	55,760	38,969	47,747
Hydroelectric	10,633	8,287	8,384	9,214	6,747	8,342
Thermal	48,039	52,499	49,147	46,546	32,222	39,405
Other electric power business	1,657	1,682	1,616	1,477	1,095	921
Total	60,329	62,469	59,148	57,238	40,065	48,668

【Electric Power Revenues (100 million yen)】

	FY2006	FY2007	FY2008	FY2009	FY2009 3Q	FY2010 3Q
Wholesale electric power business	4,500	4,572	5,712	4,586	3,362	3,834
Hydroelectric	1,234	1,145	1,109	1,089	833	837
Thermal	3,265	3,427	4,603	3,496	2,528	2,997
Other electric power business	168	177	200	147	110	88
Transmission	551	549	554	544	407	407
Total	5,220	5,299	6,467	5,278	3,880	4,330

【Generation Capacity (MW)】

	FY2006	FY2007	FY2008	FY2009	FY2009 3Q	FY2010 3Q
Wholesale electric power business	16,380.0	16,380.0	16,385.0	16,987.5	16,985.0	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	8,424.5	8,427.0
Other electric power business	560.5	560.5	605.8	622.5	618.8	656.5
Total	16,940.5	16,940.5	16,990.8	17,610.0	17,603.8	17,649.0

【Greenhouse Gas Emissions】

	Unit	FY2006	FY2007	FY2008	FY2009	FY2009 3Q	FY2010 3Q
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 3Q	FY2010 3Q
Operating revenues	5,732	5,877	7,049	5,844	4,269	4,689
Electric power operating revenues	5,237	5,317	6,483	5,302	3,898	4,342
Other operating revenues	494	560	565	541	371	347
Operating expenses	4,961	5,370	6,478	5,355	3,901	4,026
Electric power operating expenses	4,444	4,778	5,888	4,786	3,503	3,647
Personnel costs	272	377	436	362	269	223
Fuel costs	1,498	1,915	2,643	1,780	1,301	1,548
Repair and maintenance costs	411	304	514	444	346	334
Outsourcing costs	317	302	332	320	211	214
Depreciation and amortization costs	1,185	1,103	1,101	1,160	865	800
Others	758	774	859	716	509	525
Other operating expenses	516	591	590	568	397	379
Operating income	771	507	571	489	368	663
Non-operating revenues	130	215	132	187	138	105
Equity income of affiliates	55	88	74	117	92	73
Others	74	126	58	70	46	31
Non-operating expenses	346	293	307	259	189	203
Interest expenses	225	227	226	230	172	167
Others	120	66	81	28	17	36
Ordinary income	555	428	395	416	317	565

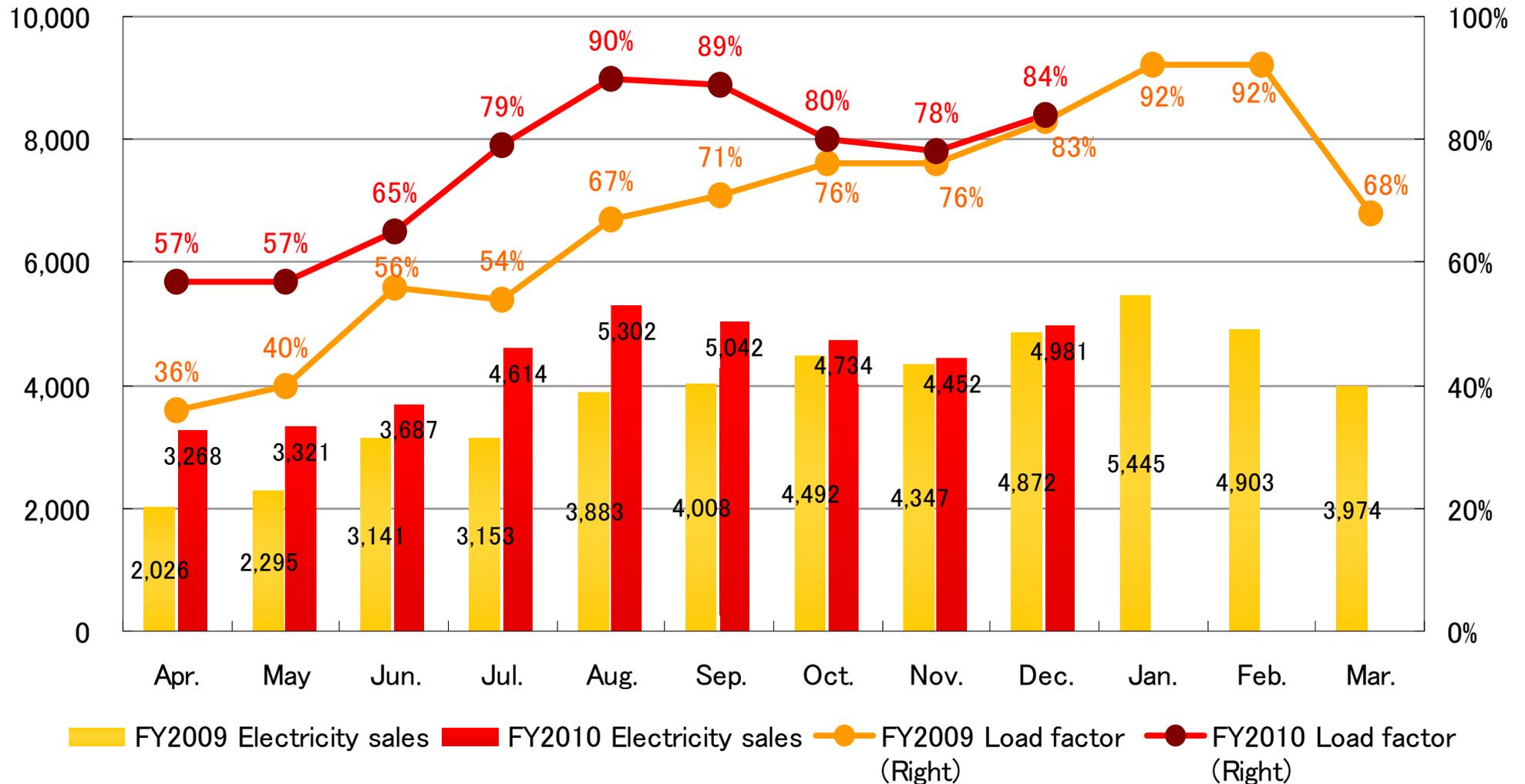
Wholesale Electric Power Business: Monthly Electricity Sales (Thermal Power)



▶ **Apr.2009 - Mar.2010 Results (Cumulative)**
 Load factor 68 %
 Electricity sales 46.5B kWh

▶ **Apr.2010 – Dec.2010 Results (Cumulative)**
 Load factor 76 %
 Electricity sales 39.4B kWh

(Million kWh)



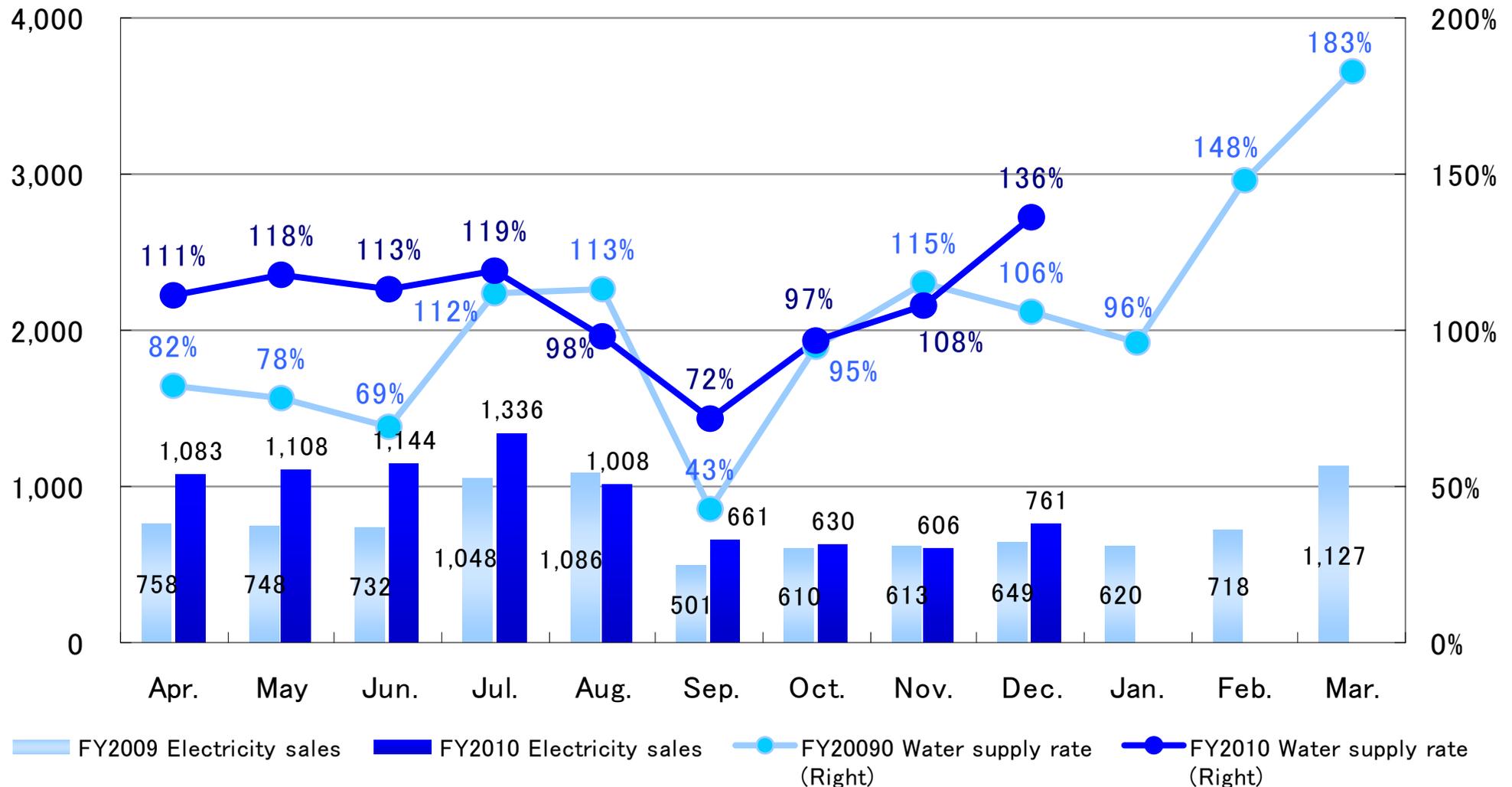
*) Electricity sales also include electricity generated for the test run at the Isogo New No.2 (Jan. 2009 to Jul. 2009).

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

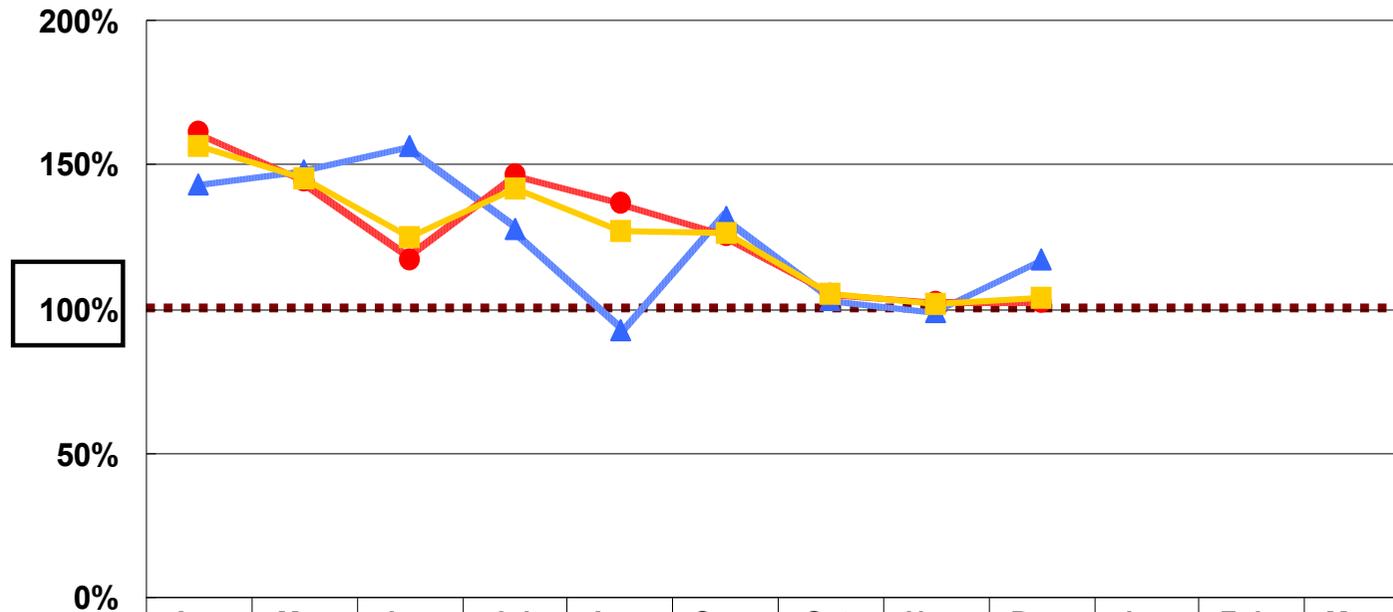


▶ Apr.2009 - Mar.2010 Results (Cumulative)	▶ Apr.2010 - Dec.2010 Results (Cumulative)
Water supply rate 96 %	Water supply rate 109 %
Electricity sales 9.2B kWh	Electricity sales 8.3B kWh

(Million kWh)



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



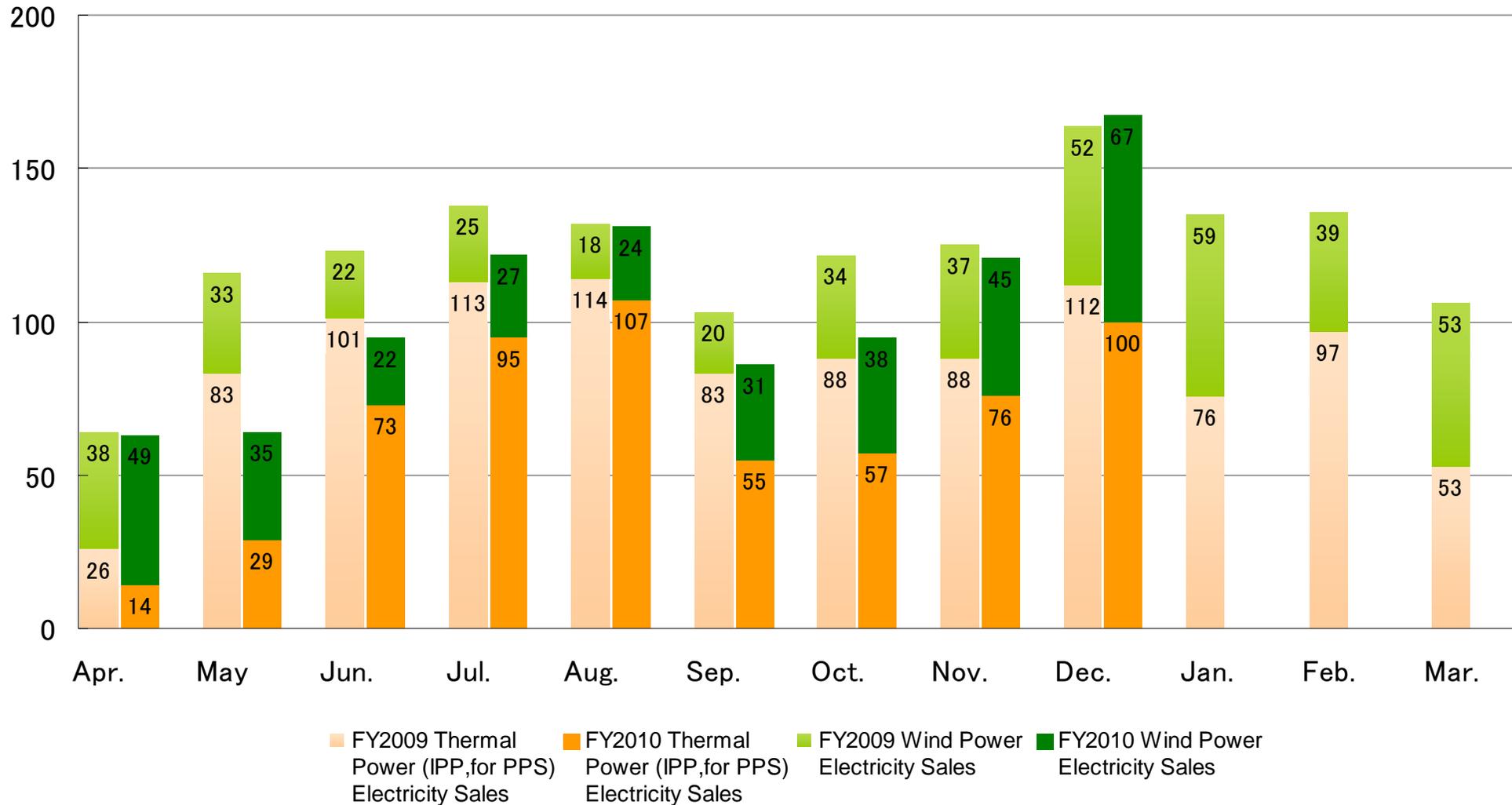
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr - Dec
▲ Year-on-year (Hydro)	143%	148%	156%	128%	93%	132%	103%	99%	117%				124%
● Year-on-year (Thermal Power)	161%	145%	117%	146%	137%	126%	105%	102%	102%				122%
■ Year-on-year Total	156%	146%	125%	142%	127%	126%	105%	102%	104%				123%

Other Electric Power Businesses (IPP, for PPS, Wind Power): Monthly Electricity Sales



▶ **Total Electricity Sales**
Apr.2009 - Mar.2010 Results (Cumulative) **1.4B kWh**
Apr.2010 - Dec.2010 Results (Cumulative) **0.9B kWh**

(Million kWh)



Note: Does not take proportion of equity holdings into account



Electric Power Development Co., Ltd.

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