

Performance Highlights

In fiscal 2010, operating revenues increased 19% year on year, to ¥1.8 billion. Segment income fell 22%, to ¥5.0 billion, owing to a decrease in equity in earnings of affiliates brought about by foreign exchange losses related to routine inspections of the thermal power plants in Thailand and the ongoing strength of the yen.

Overview of Operations

The J-POWER Group has been involved in the overseas consulting business since 1960. Since that time, it has undertaken long-term consulting business throughout the world, including environmental impact assessments, the transfer of desulfurization and denitrification technologies in thermal power generation, and the planning, design, and construction supervision of hydroelectric power and power transmission projects.

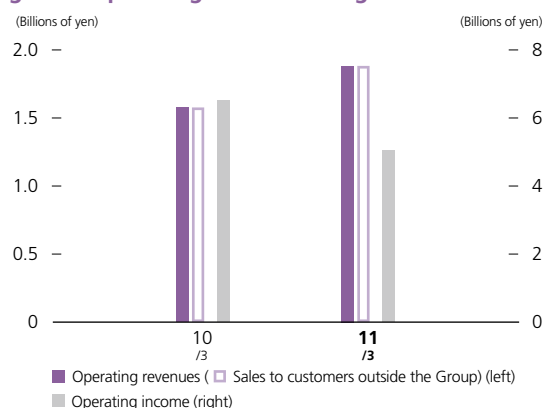
Subsequently, amid the ongoing deregulation of the world's electric power industries in 1997, J-POWER tried to move into overseas markets where ongoing strong demand was expected to increase in both industrial and private sectors. Establishing a dedicated in-house organization, the Company commenced activities that would lead to an overseas power generation business that injects capital and technologies and participates in business.

At first, the focus was on participation in joint venture-model small businesses based on partial involvement in such operations as comparatively small-scale injections of capital and the building of power plants. Amid intense competition, experience and results were steadily gained; in 2005, a subsidiary was established in the United States, where full-scale business development was commenced; in 2008, J-POWER participated in a large-scale IPP project in Thailand. Through this step-by-step approach, progress is being made to develop the overseas power generation business as the second major area under J-POWER Group management. The Company currently has 29 projects in operation in six countries and regions worldwide, including Thailand, the United States, China, Taiwan, and the Philippines, bringing its overseas owned capacity to 3,690 MW.

Outlook

The nine new power generation projects currently under development in Thailand comprise two IPPs (at Nong Saeng and U-thai, each with a capacity of 1,600 MW) and seven SPPs with a total capacity of 780 MW, for an overall capacity of 3,900 MW. The seven SPPs and two IPPs are set for completion in 2013 and 2014, respectively, with commercial operations planned to start in 2015. A 25-year power purchase agreement (PPA), covering the building of the

Segment Operating Revenues/Segment Income*



* Segment income is stated in terms of ordinary income.

power plants as well as their O&M, was signed between J-POWER and the Electricity Generating Authority of Thailand (EGAT).

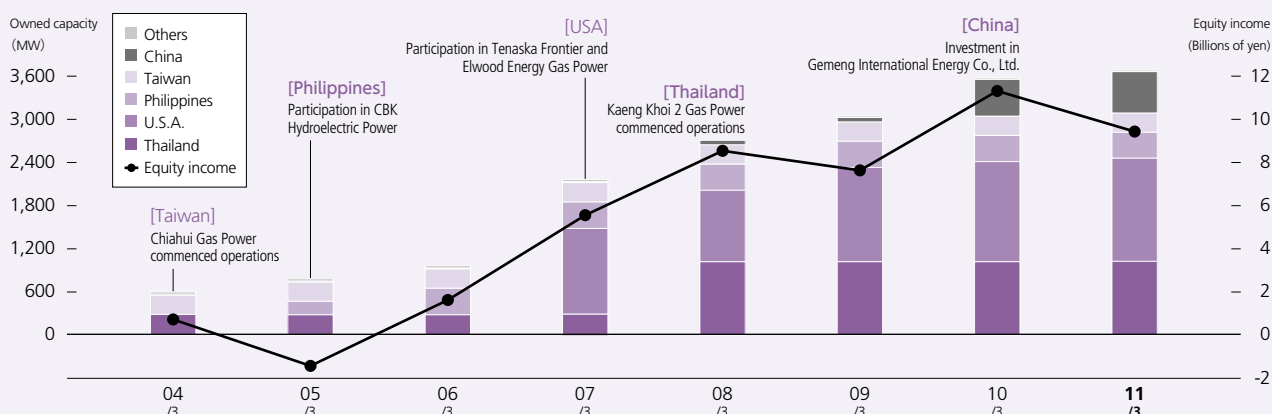
In 2011, cooperation with other companies resulted in J-POWER gaining through international tender an IPP project for a new coal-fired thermal power plant in Indonesia. Located in central Java, the project involves the construction of a 2,000 MW-capacity coal-fired thermal power plant, one of the largest in Asia. A 25-year PPA was signed with Indonesia's state-owned electricity company, PLN. Involving the application of J-POWER's accumulated USC technologies, J-POWER's consortium covers all stages from the plant's construction to operation and maintenance as a package. The Company can expect to contribute to the stable supply of electricity and to reducing the environmental impact in Indonesia as well as to the transfer and spread of advanced technologies. It is thought that this project will serve as a model for the future development of high-efficiency, coal-fired thermal power in Asia.



Kaeng Khoi 2 Power Plant
(Thailand)

Segment Overview

Owned Capacity (Operating) and Equity Income of Overseas Power Generation Business



Note: Owned capacity [left]: Output is calculated by the total project capacity multiplied by J-POWER's equity ratio, and this is the amount recorded for the fiscal year-end.

Overview of Projects

(As of June 30, 2011)

2013

Begin operations

Type of facility: gas-fired thermal power

Capacity: 780 MW (110 MW x 6 projects/120 MW x 1 project)

7 SPP Projects

Construction

Commercial operation

Situation in 2011

- Smoothly began construction work from October 2010
- Smoothly proceeding with construction work with target of beginning operations from 2013

- Projects based on Thailand's SPP program
- Construction of 100 MW-class gas-fired thermal power plants at seven sites in and nearby industrial parks in Saraburi Province and elsewhere
- After operations commence, electric power will be supplied for 25 years to the Electricity Generating Authority of Thailand and customers within industrial parks. (Customers within industrial parks are also to be supplied with steam.)

2014

Begin operations

Type of facility: gas-fired thermal power

Capacity: 1,600 MW

Nong Saeng Site

Construction

Commercial operation

Situation in 2011

- Currently preparing to begin construction work from the current fiscal year

- Successfully tendered in 2007 IPP project bid solicitation based on the Thailand Power Development Plan
- Construction of 1,600 MW gas-fired thermal power plants at Nong Saeng, Saraburi Province, and U-thai, Ayutthaya Province
- After operations commence, electric power will be supplied for 25 years to the Electricity Generating Authority of Thailand.
- The U-thai site is the new site for developing a project originally planned for the Samet Tai site.

2015

Begin operations

Type of facility: gas-fired thermal power

Capacity: 1,600 MW

U-thai Site

Construction

Commercial operation

Situation in 2011

- Currently preparing to begin construction work from fiscal 2012

J-POWER's Participation in Overseas Power Generation Projects

(As of June 30, 2011)

Current Status	Project Name	Electricity Generation Source	Output Capacity (MW)	Ownership	Participation Year	Power Purchaser	Validity of Purchase Agreement
Thailand							
In operation	Roi-Et	Biomass (Chaff)	10	24.7%	FY2000	Electricity Generating Authority of Thailand	21 years
	Rayong	Gas (Combined Cycle)*1	112	20.0%	FY2000	Electricity Generating Authority of Thailand/ Companies in the industrial park	21 years
	Thaioil Power	Gas (Combined Cycle)*1	113	19.0%	FY2001	Electricity Generating Authority of Thailand/Thai Oil Public Co., Ltd., etc.	25 years
	Independent Power	Gas (Combined Cycle)	700	10.6%	FY2001	Electricity Generating Authority of Thailand	25 years
	Gulf Cogeneration (Kaeng Khoi)	Gas (Combined Cycle)*1	110	49.0%	FY2001	Electricity Generating Authority of Thailand/ Companies in the industrial park	21 years
	Samutprakarn	Gas (Combined Cycle)*1	117	49.0%	FY2002	Electricity Generating Authority of Thailand/ Companies in the industrial park	21 years
	Nong Khae	Gas (Combined Cycle)*1	120	49.0%	FY2002	Electricity Generating Authority of Thailand/ Companies in the industrial park	21 years
	Yala	Biomass (Rubber Wood Waste)	20	49.0%	FY2003	Electricity Generating Authority of Thailand	25 years
	Kaeng Khoi 2	Gas (Combined Cycle)	1,468	49.0%	FY2004	Electricity Generating Authority of Thailand	25 years
Subtotal 9 projects			2,770 (Owned: 1,020 MW)				
Under construction	7 SPP Projects	Gas (Combined Cycle)*1	Total 780	We plan to own the majority stake.	FY2007	Electricity Generating Authority of Thailand/ Companies in the industrial park	25 years
In planning stage	U-thai (formerly Samet Tai)	Gas (Combined Cycle)	1,600	We plan to own the majority stake.	FY2007	Electricity Generating Authority of Thailand	25 years
	Nong Saeng	Gas (Combined Cycle)	1,600	We plan to own the majority stake.	FY2007	Electricity Generating Authority of Thailand	25 years
*1 Co-generation facilities that make use of waste heat resulting from power generation							
China							
In operation	Tianshi	Coal Waste	50	24.0%	FY2000	Shanxi Province Power Corporation	Renewed for 1 year*3
	Hanjiang (Xihe/Shuhe)	Hydroelectric	450	27.0%	FY2007	Shaanxi Electric Power Company	Renewed for 1 year*3
	Gemeng*2	Mainly Coal	4,446	7.0%	FY2009	Shanxi Province Power Corporation	—
	Xinchang	Coal	1,320	10.0%	FY2007	Jiangxi Electric Power Company	Renewed for 1 year*3
	Subtotal 5 projects			6,266 (Owned: 578 MW)			
*2 Gemeng International Energy Co., Ltd., is an electric power company that owns 11 power generation companies.							
*3 Although power purchase agreements are renewed every year, J-POWER makes other agreements with power purchasers for continuous power purchase during operations.							
U.S.A.							
In operation	Tenaska Frontier	Gas (Combined Cycle)	830	31.0%	FY2006	Exelon Generation Company, LLC	20 years
	Elwood Energy	Gas (Simple Cycle)	1,350	25.0%	FY2006	Exelon Generation Company, LLC/ Constellation	Valid to 2012/ 2016/2017
	Green Country	Gas (Combined Cycle)	795	50.0%	FY2007	Exelon Generation Company, LLC	20 years
	Birchwood	Coal	242	50.0%	FY2008	Virginia Electric and Power Company	25 years
	Pinelawn	Gas (Combined Cycle)	80	50.0%	FY2008	Long Island Power Authority	Valid to 2025
	Equus	Gas (Simple Cycle)	48	50.0%	FY2008	Long Island Power Authority	Valid to 2017
	Fluvanna	Gas (Combined Cycle)	885	15.0%	FY2008	Shell Energy North America	Valid to 2024
	Edgewood	Gas (Simple Cycle)	80	50.0%	FY2009	Long Island Power Authority	Valid to 2018
	Shoreham	Jet Fuel (Simple Cycle)	80	50.0%	FY2009	Long Island Power Authority	Valid to 2017
	Orange Grove*4	Gas (Simple Cycle)	96	50.0%	FY2006	San Diego Gas & Electric	25 years
Subtotal 10 projects			4,486 (Owned: 1,438 MW)				
*4 Half of J-POWER's investment share (100%) of the Orange Grove Project was sold on May 1, 2011.							
Other Countries/Region							
In operation	CBK (Philippines) (3 projects)	Hydroelectric	728	50.0%	FY2004	National Power Corporation	25 years
	Chiahui (Taiwan)	Gas (Combined Cycle)	670	40.0%	FY2002	Taiwan Power Company	25 years
	Zajaczkowo (Poland)	Wind Power	48	45.0%	FY2006	ENERGA OBROT S.A.	15 years
	Subtotal 5 projects			1,446 (Owned: 653 MW)			
Under construction	Nhon Trach 2 (Vietnam)*5	Gas (Combined Cycle)	750	5.0%	FY2008	Vietnam Electricity	
*5 In operation at simple cycle (500 MW) from 2010. Start of full-scale combined cycle (750 MW) operations being planned during 2011.							