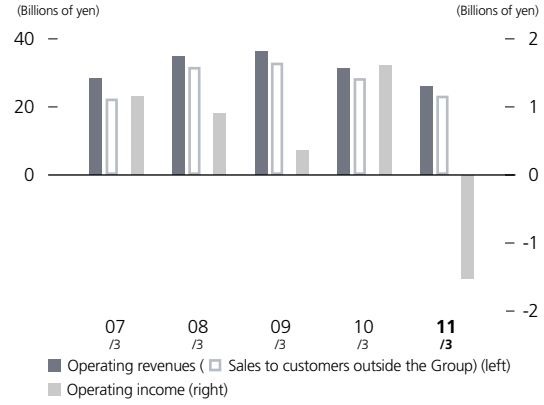
Segment Operating Revenues/Segment Income*



* In fiscal years through the year ended March 31, 2009 (fiscal 2008), segment income is stated in terms of operating income. From the fiscal year ended March 31, 2010 (fiscal 2009), segment income is stated in terms of ordinary income.

Performance Highlights

In fiscal 2010, operating revenues decreased 17% year on year, to ¥26.1 billion, mainly owing to a drop in revenues from telecommunications construction work by consolidated subsidiaries. Reflecting the drop in operating revenues and other factors, segment income deteriorated by a margin of ¥3.1 billion and amounted to a segment loss of ¥1.5 billion.

Overview of Operations

Aiming to make full use of its management resources and know-how, J-POWER is developing diverse businesses. Currently, we are promoting the development of such businesses as new electric power business employing biomass-fuel and co-generation plants, environmental businesses, telecommunications business, engineering and consulting operations, coal sales business, and other product sales business.

Hiroshima City Seibu Water Resources Center/Fuel Conversion Facility (rendering)

Outlook

To leverage its strong position as a major procurer of coal (approximately 2,000t per year), J-POWER is gradually expanding the scale of its coal-related business. In preparation for the use of biomass fuel at coal-fired thermal power plants, the Company is emphasizing such fuel production measures as those aimed at producing wood pellet from unused waste lumber from forests and solid fuel from sewage sludge.

Main Environment-Related Businesses under Other Businesses

(As at June 30, 2011)

Project Name	Location	Business	Ownership (%)	Year Operation Commenced
Kanamachi Filtration Plant PFI*1 Business	Tokyo Metropolitan Area	Cogeneration at Kanamachi Filtration Plant of Tokyo Metropolitan Government's Bureau (Gas turbine generator output: 12.28kW)	20%	2000
Narumi Plant PFI*1 Business	Aichi Prefecture	Repair and maintenance work at Narumi Plant in Nagoya (General waste processing capacity: 530t/day)	11%	2009
Osaka City Hirano Sewage Treatment Plant/Sludge and Solid Fuel Project	Osaka Prefecture	Integrated PFI-type*1 sewage sludge-based biofuels recycling project, from the construction of biofuel processing facilities to mixed combustion in J-POWER's coal-fired thermal power plants (Sludge processing capacity: 150t/day)	60%	2014 (Planned)
Hiroshima City Seibu Water Reclamation Center/ Sewage Sludge Fuel Project	Hiroshima Prefecture	Integrated DBO-type*2 sewage sludge-based biofuels recycling project, from the construction of biofuel processing facilities to mixed combustion in J-POWER's coal-fired thermal power plants (Sludge processing capacity: 100t/day)	34%	2012 (Planned)
Omuta Waste-Fueled Power Plant	Fukuoka Prefecture	Recycling power generation using solid fuel (RDF: Refuse Derived Fuel) made by compressing and forming general waste (Output: 20.6MW, RDF processing capacity: 315t/day)	45.2%	2002
Kumamoto Sewage Sludge Solid Fuel Project	Kumamoto Prefecture	Integrated DBO-type*2 sewage sludge-based biofuels recycling project, from the construction of biofuel processing facilities to mixed combustion in J-POWER's coal-fired thermal power plants (Sludge processing capacity: 50t/day)	Business corporation establishment in preparation	2013 (Planned)
Miyazaki Prefecture Wood Pellet Production Project*3	Miyazaki Prefecture	Manufacture and sale of wood pellets for mixed combustion processing in our coal-fired thermal power plants (Pellet manufacturing capacity: 25,000t/year)	98%	2010

*1 PFI (Private Finance Initiative) projects: This is a method of conducting public-sector projects from construction through the operating stages by drawing on private-sector funding, management know-how, technology, and other resources.

*2 DBO (Design, Build, Operate): A system whereby the public sector finances projects and then commissions the private sector to undertake their design, construction, and operation

*3 Manufactured pellets used under the New Energy and Industrial Technology Development Organization's fiscal 2009 demonstration project for biomass and coal co-firing power generation using forestry residue (Ministry of Economy, Trade and Industry-subsidized project/Location: J-POWER's Matsuura Thermal Power Station)