

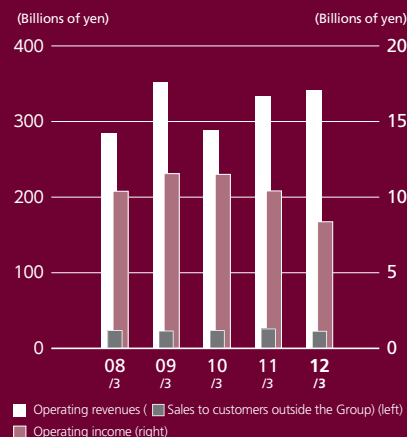
## Business Overview

### Electric Power-Related Business



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### 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 2011, operating revenues edged up 2.0% year on year, to ¥341.3 billion, owing to factors including a rise in consolidated subsidiaries' sales of coal to the parent company. Despite the slight increase in operating revenues, segment income decreased 19.7%, to ¥8.3 billion, reflecting a rise in cost of sales.

## Overview of Operations and Salient Features

J-POWER develops businesses that support the smooth and efficient implementation of its electric power business. Specifically, these businesses are required for the operation of power generation, transmission, and transformation facilities and include businesses undertaking the design, construction, inspection, and maintenance of power generation facilities; importing coal; and employing their own vessels to transport coal.

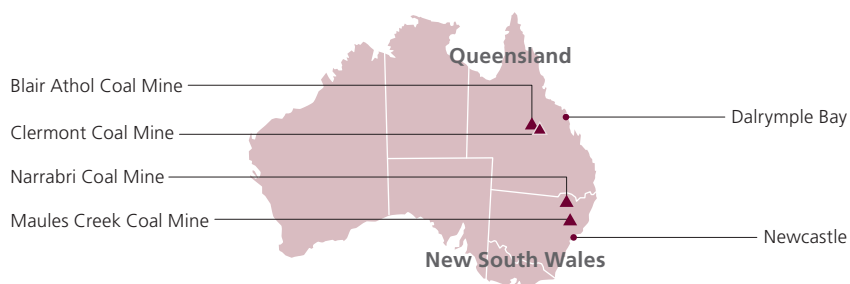
J-POWER conducts the maintenance of the power-generation facilities of its domestic wholesale electric power business in close partnership with its subsidiaries.

## Coal Procurement

Japan's largest user, procuring approximately 21 million tons of fuel coal a year, J-POWER imports coal primarily from Australia and Indonesia. In Australia, the Company owns interests in four coal-mining projects through subsidiaries.

While the trend is for coal demand from developing countries, including from China and India, and for energy resources other than

coal, such as liquefied natural gas (LNG), major changes are taking place in the global supply and demand of coal due in part to other geopolitical factors. In view of this situation, J-POWER is expanding its upstream presence with respect to ownership of coal mines and securing diversified sources of procurement to stably procure coal as fuel for thermal power generation over the long term.



### ► Coal Mining Projects

(As of June 30, 2012)

Mine Name	Location	Loading Port	Production Volume	Investment Ratio	Commercial Production
Blair Athol	Queensland	Dalrymple Bay	Approx. 2.8 million t/yr	10%	1984
Clermont	Queensland	Dalrymple Bay	Approx. 12 million t/yr	15%	2010
Narrabri	New South Wales	Newcastle	Approx. 6 million t/yr	7.5%	2010
Maules Creek Coal Mine	New South Wales	Newcastle	Approx. 10.7 million t/yr	10%	2014 (planned)

Note: Investment through a subsidiary, J-POWER AUSTRALIA PTY., LTD. Production volume represents figures for peak production.

The production volume given for the Blair Athol Coal Mine is that envisaged for fiscal 2012. The production volumes for the other coal mines represent figures for anticipated peak production.