

(Summary English translation)

Financial Statements (Unaudited)

(for the Year Ended March 31, 2010)

April 30, 2010

Electric Power Development Co., Ltd. (J-POWER)
Listed Exchange : Tokyo Stock Exchange 1st Section
Code No. : 9 5 1 3 (U R L <http://www.jpowers.co.jp/>)
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Date of Ordinary General Meeting of Shareholders: June 22, 2010
Date of Commencement of Dividend Payment: June 23, 2010

1 . Consolidated Business Performance (From April 1, 2009 to March 31, 2010)

(1) Consolidated Results of Operations (Rounded down to the nearest million yen)

	Operating Revenues	Operating Income	Ordinary Income	Net Income
	(million yen) (%)	(million yen) (%)	(million yen) (%)	(million yen) (%)
Year ended Mar.31, 2010	584,484 (17.1)	48,939 (14.3)	41,694 (5.3)	29,149 (49.8)
Year ended Mar.31, 2009	704,936 (19.9)	57,108 (12.6)	39,599 (7.6)	19,457 (33.6)

	Net Income per Share	Fully Diluted Net Income per Share	Net Income/ Shareholder's Equity	Ordinary Income / Total Assets	Operating Income / Operating Revenues
	(yen)	(yen)	(%)	(%)	(%)
Year ended Mar.31, 2010	194.26		7.4	2.1	8.4
Year ended Mar.31, 2009	121.65		4.6	2.0	8.1

(Reference)

Equity in earnings of affiliates :

Year ended Mar.31, 2010 : 11,722 million yen Year ended Mar.31, 2009 : 7,470 million yen

Figures in brackets are changes in percentage from the previous periods.

(2) Consolidated Financial Position (Rounded down to the nearest million yen)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	(million yen)	(million yen)	(%)	(yen)
Year ended Mar.31, 2010	2,024,080	414,981	20.4	2,750.20
Year ended Mar.31, 2009	2,005,469	382,112	19.0	2,533.28

(Reference)

Shareholder's equity :

Year ended Mar.31, 2010 : 412,677 million yen

Year ended Mar.31, 2009 : 380,128 million yen

(3) Consolidated Statements of Cash Flows (Rounded down to the nearest million yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of period
	(million yen)	(million yen)	(million yen)	(million yen)
Year ended Mar.31, 2010	169,148	129,504	30,351	40,329
Year ended Mar.31, 2009	158,628	132,350	29,615	29,530

2 . Dividends

	Annual cash Dividends per Share					Annual Dividends	Payout Ratio (Consolidated)	Dividends/ Net Assets (Consolidated)
	1Q	2Q	3Q	4Q	Annual			
	(yen)	(yen)	(yen)	(yen)	(yen)	(million yen)	(%)	(%)
Year ended Mar.31, 2009	-	35.00	-	35.00	70.0	11,081	57.5	2.6
Year ended Mar.31, 2010	-	35.00	-	35.00	70.0	10,503	36.0	2.6
Year ending Mar.31, 2011 (forecast)	-	35.00	-	35.00	70.0		38.9	

3 . Forecasts Consolidated Results for the Year Ending March 31, 2011 (From April 1, 2010 to March 31, 2011)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Net Income per Share
	(million yen) (%)	(million yen) (%)	(million yen) (%)	(million yen) (%)	(yen)
Six months ending Sep.30,2010	308,000 (12.8)	32,000 (40.8)	26,000 (35.2)	17,000 (21.3)	113.29
Year ending Mar.31, 2011	626,000 (7.1)	54,000 (10.3)	41,000 (1.7)	27,000 (7.4)	179.94

4 . Other

- (1) Principal subsidiaries subject to changes during fiscal 2009(changes of specific subsidiaries coming along with changes in the scope of consolidation) : None
- (2) Changes in accounting policies, procedures, and labeling method etc. regarding preparation of consolidated financial statements
 Changes due to revisions of accounting standards etc. : Yes
 Changes except : Yes
- (3) Number of shares issued (common stock)
 Number of shares issued at the end of the period (including treasury stock)
 Year ended Mar.31, 2010 : 166,569,600
 Year ended Mar.31, 2009 : 166,569,600
 Treasury stock
 Year ended Mar.31, 2010 : 16,516,109
 Year ended Mar.31, 2009 : 16,515,474

【Reference】

1 . Non-Consolidated Business Performance (From April 1, 2009 to March 31, 2010)

(1) Non-Consolidated Results of Operations (Rounded down to the nearest million yen)

	Operating Revenues	Operating Income	Ordinary Income	Net Income
	(million yen) (%)	(million yen) (%)	(million yen) (%)	(million yen) (%)
Year ended Mar.31, 2010	530,436 (17.9)	40,904 (8.5)	23,791 (6.2)	16,372 (63.3)
Year ended Mar.31, 2009	645,850 (22.0)	44,728 (12.1)	22,395 (1.4)	10,026 (32.1)

	Net Income per Share	Fully Diluted Net Income per Share
	(yen)	(yen)
Year ended Mar.31, 2010	109.11	
Year ended Mar.31, 2009	62.68	

Figures in brackets are changes in percentage from the previous periods.

(2) Non-Consolidated Financial Position (Rounded down to the nearest million yen)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	(million yen)	(million yen)	(%)	(yen)
Year ended Mar.31, 2010	1,902,504	346,099	18.2	2,306.51
Year ended Mar.31, 2009	1,910,592	336,594	17.6	2,243.15

(Reference)

Shareholder's equity :

Year ended Mar.31,2010	: 346,099 million yen
Year ended Mar.31,2009	: 336,594 million yen

2 . Forecasts Non-Consolidated Results for the Year Ending March 31, 2011 (From April 1, 2010 to March 31, 2011)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Net Income per Share
	(million yen) (%)	(million yen) (%)	(million yen) (%)	(million yen) (%)	(yen)
Six months ending Sep.30,2010	285,000 (14.3)	34,000 (66.5)	25,000 (103.6)	17,000 (96.0)	113.29
Year ending Mar.31, 2011	573,000 (8.0)	49,000 (19.8)	30,000 (26.1)	20,000 (22.2)	133.29

Figures in brackets are changes in percentage from the previous periods.

Forward-Looking Statements

The earnings forecasts are forward-looking statements made on the basis of available information current at the time forecasts are made and contain uncertain elements. Therefore, actual earnings may differ from forecast figures as a result of changes in business performance and other factors.

1. Operating Results

(1) Analysis of Operating Results

Electric Power Sales Volume

Electric power demand in Japan for the current consolidated fiscal year fell below that of last fiscal year due to a decline in air conditioning demand as temperatures remained low from July through September, coupled with the largest decline in industrial demand ever seen.

The volume of electric power sold by the company on a wholesale basis under these conditions rose 9.9% over the previous fiscal period to 9.2 billion kWh as the water supply rate improved from 88% to 96% for hydroelectric power, despite the drought. The operating rate for thermal electric power declined under declining demand and despite the start-up of operations at the Isogo New No. 2 Thermal Power Plant (in July 2009), causing a 5.3% decline in the volume of electric power sold from the previous consolidated fiscal year to 46.5 billion kWh. This resulted in a 3.1% YoY decline in total wholesale electric power sold from both hydroelectric and thermal sources for the current consolidated fiscal year to 55.7 billion kWh.

The sales volume of other electric power also declined by 8.6% from the previous consolidated fiscal year to 1.4 billion kWh as operating rates of plants directed toward IPP (Independent Power Producers) and PPS (Power Producers and Suppliers of a certain size) fell. This led to a 3.2% decline for the electric power business overall compared with the previous consolidated fiscal year, to 57.2 billion kWh.

Overview of Income and Expenditures

A rate revision and other factors from September 2009 onward cause sales (operating revenues) for the current consolidated fiscal year to decline despite the increase in volume of electric power sold as the water supply rate for the hydroelectric power business improved despite the drought. The wholesale thermal electric power business saw revenues decline 17.1% from the previous consolidated fiscal year to 584.4 billion yen as the volume of electric power sold declined with the decline in operating rates precipitated by the decline in electric power demand and equipment failures despite the start-up of operations at the Isogo New No. 2 Thermal Power Plant (in July 2009), and a decline in the unit price as the price of fuel declined. This culminated in a 16.0% YoY decline in ordinary revenue for the current period to 603.2 billion yen, after the inclusion of non-operating revenue.

Operating expenses fell 17.3% from the previous consolidated fiscal year to 535.5 billion yen due to the decline in the operating rate for thermal power and the decline in fuel costs, among other factors. This resulted in a 17.3% YoY decline in ordinary expenses for the current period to 561.5 billion yen, after the inclusion of non-operating expenses.

The above factors resulted in a 5.3% increase in ordinary income from the previous consolidated fiscal year to 41.6 billion yen. Net income for the period rose 49.8% YoY to 29.1

billion yen, after inclusion of a draw down on drought reserves and subtraction of corporate and other taxes.

A summary of income and expenditures by business segment (before elimination of intersegmental transactions) for the current consolidated fiscal year follows.

(Electric Power Business)

Sales fell 18.1% from the previous consolidated fiscal year to 533.4 billion yen as revenues for the wholesale hydroelectric power business fell due to the rate change from September 2009 onward, the volume of thermal electric power sold declined under declining operating rates as demand for electric power declined despite the start-up of the Isobe No. 2 power plant (in July 2009), and unit prices fell due to a decline in fuel prices.

Operating income declined 14.2% from the previous consolidated fiscal year to 38.2 billion yen due to the decline in sales and other factors, despite the benefits derived from declining fuel prices as fuel prices fell and the operating rate declined.

(Electric Power-Related Business)

Sales (operating revenues from other businesses) fell 18.1% from the previous consolidated fiscal year to 289.0 billion yen as revenues from coal sales by consolidated subsidiaries and other sources declined, despite the increase in sales related to new construction for the Isogo New No. 2 Thermal Power Plant.

Operating income declined 3.1% YoY to 11.2 billion yen due to the decline in sales, despite a decline in the cost of goods sold.

(Other Business)

Sales (operating income from other businesses) fell 9.0% from the previous consolidated fiscal year to 33.1 billion yen due to decline in revenues from coal sales for the company, among other factors.

Operating income fell by 600 million yen from the previous consolidated fiscal year to a 300 million yen operating loss, due to the decline in sales among other factors.

Outlook for the Fiscal Year Ending March 2011 (FY2010)

Sales (operating revenues) are forecast to rise 7.1% from the fiscal year ended March 2010 to 626.0 billion yen.

Electric power sales volume in the electric power business is projected to rise 3.3% from the fiscal year ended March 2010 to 9.5 billion kWh, based on the assumption that hydroelectric water supply will be at a usual level in the fiscal year ending March 2011 versus the drought in the fiscal year ended March 2010. Despite the impact of the suspension of facilities, thermal electric power sales volume is estimated to increase 4.8% from the fiscal year ended March 2010 to 48.7 billion kWh in the fiscal year ending March 2011.

On the cost front, the cost of environmental measures and R&D expenditure are projected to increase, and repair costs are projected to rise due to equipment maintenance measures. In contrast, expenses are projected to decline due to a decrease in the impact of the suspension of thermal power plants, and personnel costs are projected to decline in response to a decrease in the amount of actuarial differences charged to expenses in relation to provisions for retirement benefits. Consequently, operating income is expected to increase 10.3% from the fiscal year ended March 2010 to 54.0 billion yen.

Ordinary income is projected to decline 1.7% from the fiscal year ended March 2010 to 41.0 billion yen, as financial expenses are expected to rise in association with investments in new sites, such as the Ohma Nuclear Power Plant, and existing facilities, while equity income is projected to decrease.

Principal Statements

	FY2009	FY2010
Electricity sales (hydroelectric) (100 million kWh)	92	95
Electricity sales (thermal) (100 million kWh)	465	487
Water supply rate (%)	96	100
Thermal power utilization factor (%)	68	71
Foreign exchange rate (Interbank rate) (yen/\$)	93	About 90

(2) Analysis of Financial Standing

Assets, Liabilities and Net Assets

While assets declined due to the progression of depreciation for fixed assets, the increase in long-term investment and capital expenditures for the Ohma Nuclear Power Plant, the new Isogo New No. 2 Thermal Power Plant, and others resulted in a 36.6 billion yen increase from the previous consolidated fiscal year to 1.8798 trillion yen. Current assets also declined by 18.0 billion yen from the previous consolidated fiscal year due to a decline in coal reserves and other factors. This resulted in an 18.6 billion yen increase in total assets over the previous consolidated fiscal year to 2.0240 trillion yen.

Liabilities declined 14.2 billion yen from the previous fiscal year, resulting in total liabilities of 1.6090 trillion yen as of the end of the current consolidated fiscal year. This included an 18.2 billion yen decline in interest-bearing debt to 1.4525 trillion yen.

Net assets as of the end of the current consolidated fiscal year rose by 32.8 billion yen over the previous fiscal year to 414.9 billion yen, due to the booking of net profit, among other factors. The capital adequacy ratio rose to 20.4% from the 19.0% recorded for the previous consolidated fiscal year.

Status of Consolidated Cash Flows

Cash inflow of 169.1 billion yen from operating activities was recorded; however, cash outflows of 129.5 billion yen and 30.3 billion yen for investment in the acquisition of fixed assets, etc. and financing activities led to a balance of cash and cash equivalents as of the end of the current consolidated fiscal year of 40.3 billion yen after inclusion of the 29.5 billion balance from the previous fiscal year.

(Cash flows from operating activities)

Cash inflow from operating activities rose 10.5 billion yen from the previous fiscal year to 169.1 billion yen despite a decline in internal reserves for impairment losses on securities, etc., due in part to the decline in inventory.

(Cash flows from investing activities)

Cash outflow from investment activities fell 2.8 billion yen from the previous fiscal year to 129.5 billion yen. This resulted from a decline in trust beneficiary rights acquired for trust assets such as land and buildings related to headquarters, despite the decline in compensation received due to a change in primary contractors for the Tokuyama Power Plant plans.

(Cash flows from financing activities)

Cash outflow from financing activities increased by 700 million yen over the previous fiscal year to 30.3 billion yen. While there was a decline in acquisition of treasury shares and redemption of corporate bonds, etc., income from borrowings also declined.

Trends in Cash Flow Indicators

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Equity ratio	22.0%	23.1%	23.2%	19.0%	20.4%
Market value-based equity ratio	31.6%	49.4%	29.7%	21.8%	22.8%
Debt repayment period	8.1 years	9.0 years	10.5 years	9.3 years	8.6 years
Interest coverage ratio	4.8	7.2	6.1	7.2	7.4

Notes: Equity ratio: (Net assets - Minority interests) / Total assets

Equity ratio at market value: Total shares at market value / Total assets

Debt repayment period: Interest-bearing debts / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

* Each indicator is calculated using financial figures on a consolidated basis.

* Interest-bearing debt covers all debts on which interest has been paid among debts recorded on the consolidated balance sheets. In addition, the calculation of interest

payments is based on the amount of interest paid in accordance with the consolidated statements of cash flow.

(3) Basic Policy Regarding Distribution of Profits; Current and Following Period Dividends

The foremost characteristic of the company's business derives from our ability to manage long-term projects, including the construction of power plants, to invest in power plants and other infrastructure, and to recover the investment over a long operating period. The company will work to ensure that we have sufficient capital based on our cognizance of the need to strengthen our financial structure and will continue to direct internal reserves to appropriate investment in projects to ensure new growth.

We place the highest emphasis on sustained, stable dividends to our shareholders, based on the characteristics of our business, and will strive to improve the return by engaging in long-term initiatives that will produce higher growth and raise corporate value on a sustained basis.

While the business environment for the current consolidated fiscal year was a tough one with declines in electric power demand both domestically and overseas, a decline in power plant operating rates due to equipment breakdown, and a steep rise in maintenance expenses, among other factors, we will improve our competitiveness in the wholesale electric power business, our core business, by ensuring plant reliability and diligent improvements to the business operating infrastructure, while also striving to raise profitability by developing new businesses based on responding to the transition to a low-carbon society. We therefore intend to take a long-term perspective on stable, long-term returns and set the year-end dividend at 35 yen per share, bringing the full-year dividend to 70 yen per share with the interim dividend included. We are also projecting a dividend of 70 yen per share for fiscal year ending March 2011 (with an interim dividend of 35 yen per share).

(4) Business and Other Risks

This section discusses the main potential risks related to J-POWER's financial position, business results, future business operations and other matters. From the perspective of actively disclosing information to investors, this section also provides information to help investors understand business and other risks that the company does not necessarily consider significant. References to matters relating to future operations and events reflect judgment as of the publication date of this document (April 30, 2010).

Except where a different interpretation is specified, the comments below are framed in consolidated terms, and the term "company" includes J-POWER, its consolidated subsidiaries and its affiliated companies accounted for by the equity method (the terminology used in the consolidated financial statement follows the definitions stipulated in the Regulation for Terminology, Forms and Preparation of Financial Statements (Ministry of Finance Ordinance Number 28 of 1976)).

Impact of Industry Reforms in the Electric Power Business on J-POEWR's Wholesale Electricity Rates and Business

The majority of operating revenues for the company are derived from fees for the wholesale supply of electric power to the ten electric power companies (EPCOs) in Japan. The EPCOs have lowered their retail rates for electric power as competition has heightened under the structural reform of the electric power business.

The demand for electric power has also declined in Japan, primarily among industrial users, owing to the impact of the recent, worldwide economic slump.

The rate the company charges the EPCOs for the wholesale supply of electric power is calculated by adding appropriate compensation for services onto the base cost so we are not directly impacted by the lowering of retail rates. The company has, nevertheless, already received demands for a wholesale rate decrease from the EPCOs and this could have an impact on the company's operating results if the company lowered wholesale rates further in response to the decline in demand for electric power and heightened competition.

The company commenced wholesale transactions in electric power on the Japan Electric Power Exchange, a limited liability intermediary corporation, in April of 2005 and the company is currently conducting transactions on the wholesale electric power exchange. At present, the company does not foresee a dramatic increase in wholesale transactions in electric power on the exchange over the short-term, but should the importance of electric power exchange prices on the exchange as a pricing indicator increase in the future, this could have an indirect impact on the level of rates for the company. Should the level of rates in the mutual agreements between the company and the EPCOs exceed the pricing indicators, this could have an adverse impact on the operating results of the company.

Risk of Disruption to the Company's Power Plant Construction Program

As the growth rate for electric power demand has slowed, the EPCOs have postponed or cancelled plans for building electric power plants, and have resorted to long-term shut-down or discontinuance of thermal power plants with low operating rates. There have also been instances where the company itself has halted plans or postponed the timing for bringing a plant online for some plans to build electric power plants for EPCOs after discussing this with the company destined to receive the power. Should future construction plans be halted due to a major change in circumstances or the occurrence of unforeseen events, this could have an adverse effect on the operating results of the company.

Global Warming Issues

Compared with power plants that use LNG or other fossil fuels, the company has numerous coal-fired power plants that emit a relatively large volume of CO₂ per unit of power generated and is working on various measures to address issues of global warming both domestically and overseas.

Moreover, a draft bill concerning the Basic Law for Prevention of Global Warming is currently being considered; should this new law be enacted, this could have an impact on the operating results of the company.

Overseas Power Generation Business and Other Areas of New Business

In an effort to build a new profit base, the company is pursuing initiatives in the overseas electric power business and in new electric power and other businesses, domestically. These businesses could, nevertheless, fail to produce the anticipated level of profits due to a major change in circumstances, decline in demand, or unforeseeable regulatory or other changes. Should such circumstances result in a change of business plan, cessation of the business, etc., this could give rise to attendant expenses and could have an adverse impact on the company's operating results. Overseas business carries the risk of political instability in the country concerned (country risk) in addition to currency risk.

Fund Raising

The company projects a need for the procurement of considerable sums to build the Ohma Nuclear Power Plant scheduled to go online in the next ten years, the repayment of existing debt, investment in overseas electric power business, and other needs. Should the company not be able to procure the requisite funds under the appropriate conditions at the proper time due to the financial situation, the credit status of the company, or other reason at the time the funds are needed, this could adversely impact the development and profitability of the company's business.

Ohma Nuclear Power Plant Construction Project

Permission to install a nuclear power reactor for the Ohma Nuclear Power Plant (in Aomori Prefecture, scheduled to begin commercial operations in November 2014, 1.383 million kW) was received in April of 2008 and we began construction in May when the plans for the first phase of construction were approved. The company intends to make steady progress on the plan going forward, keeping safety foremost in mind, but the operating results of the company could be impacted should there be a major change in circumstances or should unforeseen events occur. Should an equipment breakdown or other similar event that would cause a loss of trust on the part of the community occur at a nuclear power plant, either domestically or overseas, this could have some impact on plans for construction.

Nuclear power generation carries the risk of storage and handling of radioactive materials, as well as the risk of natural disasters or other unforeseen events carried by other power plants as well. The company intends to work to avoid and mitigate these post-operational risks, but these risks could have an adverse impact on the operating results of the company should they occur.

Coal-Fired Thermal Power Plant Fuel

Overseas coal comprises the primary fuel for the company's coal-fired power plants. Fuel

costs are impacted by fluctuation in prices for overseas coal, the balance of supply and demand for transport ships, problems with the equipment or operations of fuel vendors, and other factors.

The impact of fluctuations in coal prices on the operating results of the company is limited because our fees reflect the cost and rates for wholesale electric power for the EPCOs are revised for thermal power plants every two years (every year when prices fluctuate dramatically). Should the price of coal rise rapidly between the time the wholesale rate for electricity is revised and the next revision, this would cause a time lag before the attendant increase in fuel expenses would be reflected in the rate, and could have a temporary adverse impact on the company's operating results.

Natural Disasters, Unforeseen Accidents, etc.

Should there be a major accident involving company power plants, transmission or substation equipment, or the IT systems that control the operation of such equipment due to natural disaster, human error, terrorism, cessation of fuel supply or other unforeseen circumstances, this could hinder the operation of the company's business or have an adverse impact on the surrounding environment, and could have an adverse impact on the operating results of the company.

Legal Regulations

The wholesale electric power business, which comprises the majority of the company's business, is regulated by the Electric Utility Law. Operation of the company's business is also subject to many different laws and ordinances. Should the company be unable to comply with these laws, ordinances, and regulations, or should these laws, ordinances, or regulations be revised, this could have an adverse impact on the business operations and operating results of the company.

High Degree of Dependency upon Particular Customers

Sales to the EPCOs comprise the majority of the operating revenues for the company. The company believes the EPCOs will continue to be the most important clients in the future as well, so the operating results of the company could be impacted by trends in retail electricity market share of the EPCOs.

Management of Business Information

The company possesses personal information and numerous other types of important information that must remain confidential. The company exercises strict control of these types of information by instituting information security measures, education of employees, and other means. Should such information be leaked externally, however, this could have an adverse impact on the company's reputation or operating results.

2. Corporate Group

Disclosure has been omitted because there have been no significant changes to the Organizational Diagram of the Business (Nature of Business) or to the Status of Affiliated Companies in the most recent financial statements (submitted June 26, 2009).

3. Management Policies

(1) Basic Management Policies

Aiming to achieve its corporate philosophy “to ensure constant supplies of energy to contribute to the sustainable development of Japan and the rest of the world” at a time when the importance of the stable supply of energy and measures to respond to global warming are essential, J-POWER has been steadily pursuing business strategies to ensure the reliability of its facilities and increase its competitiveness in Japan, respond to transition to a low-carbon society through the development of technology that will increase the efficiency of coal-fired thermal power, and press ahead with further overseas development concentrating on areas in Asia where future growth can be expected. These are some of the ways in which J-POWER is strengthening its financial position as a company that can support various enterprises and as a company that is attractive to our many stakeholders.

In all its pursuits, J-POWER is committed to promoting business that is both fair and transparent, business that will increase corporate value through initiatives in the above areas, and business that meets the expectations of our diverse stakeholders.

(2) J-POWER Group’s current operating environment and challenges

J-POWER Group’s challenges based on the Current Operating Environment

Amid continuing uncertainty regarding the prospects for recovery in electric power demand and the restricted supply of resources accompanying the world economic recession, the current business environment surrounding the J-POWER group is becoming increasingly uncertain and unpredictable due in large part to trends in resource prices and measures required to meet emission reduction goals. In terms of resources, there is a strong possibility of steep rises in prices due to enormous demand from China and India. In emission reductions as a countermeasure to global warming, Japan has made a commitment to cut CO2 emissions 25% from 1990 levels by 2020 as a medium-term policy goal. At the same time, progress in facility development at J-POWER during the previous fiscal year has been favorable. Isogo New No. 2 Thermal Power Plant (Kanagawa Prefecture, 60,000kW) commenced commercial operations and plans for construction of Ohma Nuclear Power Plant (Aomori Prefecture, commencement of commercial operations planned for November 2014, 1.383kW) made steady headway. During the previous fiscal year J-POWER also acquired existing wind power facilities in Japan. On the other hand, however, there were a number of issues such as increases in maintenance costs and lower utilization factors due to problems with facilities at some power plants.

Understanding the conditions we are challenged with, as a group we recognize the importance of taking measures to address the transition to a low-carbon society from a long-term perspective and ensuring the reliability of our facilities while simultaneously strengthening our business operating infrastructure. To respond to these challenges, we are developing new technologies and a business model that gives priority to strengthening the reliability and competitiveness of our wholesale electricity business and the transition to a low-carbon society ahead of others. We will also promote new projects in Japan and continue our global development plans concentrating chiefly on activities in Asia.

Setting our sights on achieving these ends and to further increasing long-term stable growth as a cohesive group, we have established the FY2010 J-POWER Group Management Plan and the main points are summarized below in a through e.

A. Steady Growth in Power Generation Facilities

At present J-POWER has domestic electric power generation facilities with a capacity of 17 GW and transmission lines of about 2,400 kilometers in length, and strives to supply stable electric power. Ohma Nuclear Power Plant is a major project that will contribute to further strengthening our business operational infrastructure. Giving top priority to ensuring safety, we will proceed with construction of the plant and the steady preparation of the development of the infrastructure for the group's first nuclear power plant. Following on from Ohma Nuclear Power Plant, we will take active steps to promote further new projects in both hydropower and thermal power plants.

B. Technology Innovation and New Project Development

As a group that owns several large scale coal-fired thermal plants, J-POWER recognizes the ongoing challenge to reduce carbon emissions and increase generation efficiency as a critical issue in the harmonious coexistence of energy at a time when we are all required to make all-out efforts to address the problem of global warming.

As part of our response as a power supplier, we are promoting the adoption of the most advanced technologies in areas such as ultra-supercritical pressure power generation (USC) and the mixed combustion of biomass fuels. We are also expanding the function of our hydropower plants as a CO₂-free power source through comprehensive facility upgrades at aging hydropower facilities where we are increasing the efficiency of hydroelectric turbine generators.

Our aim is to realize next-generation thermal power generation in the long term through innovative technology. As a joint venture with Chugoku Electric Power Co., Inc., we established Osaki Cool Gen Co., Ltd. in Hiroshima to undertake large-scale demonstration tests in oxygen-blown integrated coal gasification combined cycle technology (oxygen-blown IGCC) and CO₂ separation and recovery technologies. We are currently in the process of undertaking environmental assessments with a view to commencing construction in March 2013 and testing in March 2017. At one of our own sites as well as a site in Australia, we are currently conducting survey research on the transporting and storage of CO₂ through the joint development of CO₂ recovery technology with relevant organizations.

C. Enhancing the Value of Business Assets

The stable supply of electric power is the bedrock of the J-POWER group. We will simultaneously direct our efforts to ensuring the reliability of our facilities and increasing our competitiveness by optimizing facility maintenance from a long-term and economical perspective. In this way, we will also aim to increase the value of our operating assets.

To achieve this, J-POWER is currently taking measures to reduce long-term facility maintenance costs and strengthen its power generation function through renewal investment including across-the-board updating of hydropower generators. In addition, it will internalize technologies through J-POWER and group companies, introduce sophisticated maintenance methods, and devise new strategies for the procurement of materials and resources.

D. Global Business Expansion

The J-POWER group will focus on overseas business development as the second main driver of growth of the group as a whole and will redouble its efforts in this area by promoting steady business development in Thailand, China and the United States as its main markets. Currently J-POWER is participating in 39 IPPs in seven countries and regions including those under construction and in the planning stages. Of these, 28 projects (with output of approximately 3.5 million kW owned by J-POWER) are currently operating commercially in six countries and regions.

To promote the steady execution of these projects in progress, we will utilize expertise and human resources cultivated through the domestic power generation business and we will undertake appropriate project management to further increase profitability.

As a means of expanding upon our business strategy, we will pursue growth possibilities using our bases in Asia as trajectories for further growth and opportunities. In Japan and Asia we will also simultaneously aim for growth and the development of power sources with low CO2 emissions by promoting high-efficiency generation technology, particularly in Asia, and we will also focus our efforts on the formation of a business portfolio based on asset liquidity.

E. Power Generation as the Core of a Diversified Business

With electric power generation as our core competence, the J-POWER group will also make inroads in business diversification. In doing so, we will give particular priority to increasing business that will contribute to the development of power sources with low CO2 emissions and, as we pay attention to policy trends in wind power generation, we will take active steps to increase power generation in this sector in the medium term. Likewise, we will direct our efforts to increasing the use of biomass fuel through mixed combustion in our coal-fired thermal plants.

In addition to these initiatives, we will devote efforts to coal sales and trading in the electric power market including the wholesale electric power exchange, coal mine development projects, waterworks projects business, the construction and management of sewage treatment facilities and engineering projects making use of our expertise in dry-type desulfurization and denitrification systems.

② Management Vision

As a management goal for the five-year period from fiscal 2008 onwards, we have made a commitment to consolidated ordinary income as a means of promoting growth through facilities formation.

However, due to uncertainty in predicting a rebound in electric power demand and other factors such as increased maintenance costs to maintain plant reliability, promotion of the development of high-efficiency coal-fired power technology to promote the transition to a low-carbon society, and the burden of expenses for measures to address CO2, we anticipate difficulty in achieving our target for consolidated ordinary income for 2010 and therefore revised it downward from ¥50 billion to ¥41 billion yen.

We also decided to reconsider our consolidated ordinary income target of ¥60 billion for FY2012 in our FY2011 management plan based on initiatives to be undertaken in FY2010 and trends for many uncertain factors such as projected demand and measures taken to address global warming. Likewise, we will also reconsider our projection for ROA established as a management index tracking performance.

Furthermore, although we lowered the position of the consolidated capital adequacy ratio from its position as a numerical goal, our commitment to improvement in our financial position remains unchanged and we will continue to devote ongoing efforts to achieving this.

③ Strengthening Fundamental Corporate Structure

We have made efforts to increase the supervisory and monitoring functions at J-POWER by establishing a dual corporate governance structure supported by the board of directors, which includes one outside director, and the board of corporate auditors, which includes three outside auditors. In line with the revision of Securities Listing Regulations and Related Rules of the Tokyo Stock Exchange, the autonomy of the outside director and outside auditors is strong, and we have designated the aforementioned director and auditors as independent officers where there is no concern of a conflict of interest with shareholders. Furthermore, we will make ongoing efforts to improve corporate governance in response to changes in the business environment and to further earn and maintain the trust of society. As

a group we will thoroughly promote and establish throughout the J-POWER group an awareness of compliance and the observance of compliance as part of the corporate culture through the Compliance Promotion Action Program, which will become the basis for our compliance activities.

Furthermore, we will continue to implement various measures which will enable staff to participate in the Company as valued professionals for as long as possible irrespective of age or position within the company.

These are some of the ways in which we are striving to strengthen our foundation as a company.

4. CONSOLIDATED FINANCIAL SHEETS

(1) CONSOLIDATED BALANCE SHEETS

(Unit: millions of yen)

	As of Mar. 31, 2009	As of Mar. 31, 2010
(Assets)		
Noncurrent assets	1,843,143	1,879,804
Electric utility plant and equipment	1,235,044	1,226,640
Hydroelectric power production facilities	441,694	403,329
Thermal power production facilities	463,682	482,045
Internal combustion engine power production facilities	12,906	11,764
Renewable power production facilities	-	24,334
Transmission facilities	217,723	207,948
Transformation facilities	36,615	35,089
Communication facilities	9,591	9,339
General facilities	52,830	52,789
Other noncurrent assets	46,634	49,619
Construction in progress	321,889	309,740
Construction and retirement in progress	321,889	309,740
Nuclear fuel	27,650	38,688
Nuclear fuel in processing	27,650	38,688
Investments and other assets	211,923	255,115
Long-term investments	150,332	195,414
Deferred tax assets	58,711	57,207
Other	3,414	2,964
Allowance for doubtful accounts	534	471
Current assets	162,325	144,276
Cash and deposits	27,628	38,749
Notes and accounts receivable-trade	50,014	47,003
Short-term investments	2,592	2,253
Inventories	43,110	25,717
Deferred tax assets	6,264	5,560
Other	32,718	24,995
Allowance for doubtful accounts	2	2
Total assets	2,005,469	2,024,080
Liabilities		
Noncurrent liabilities	1,304,830	1,346,526
Bonds payable	717,867	689,883
Long-term loans payable	513,239	580,925
Lease obligations	520	811
Provision for retirement benefits	51,931	57,855
Other provision	1,098	1,111
Deferred tax liabilities	2,352	3,459
Other	17,820	12,479
Current liabilities	317,379	261,837
Current portion of noncurrent liabilities	120,700	142,923
Short-term loans payable	9,098	13,327
Commercial papers	109,971	24,998
Notes and accounts payable-trade	10,144	14,804
Accrued taxes	16,317	7,952
Other provision	713	855
Deferred tax liabilities	9	5
Other	50,423	56,970
Reserves under the special laws	1,146	734
Reserve for fluctuation in water levels	1,146	734
Total liabilities	1,623,356	1,609,099
Net assets		
Shareholders' equity	408,036	426,680
Capital stock	152,449	152,449
Capital surplus	81,849	81,849
Retained earnings	236,998	255,643
Treasury stock	63,260	63,262
Valuation and translation adjustments	27,908	14,003
Valuation difference on available-for-sale securities	404	2,960
Deferred gains or losses on hedges	6,285	3,747
Foreign currency translation adjustment	21,217	13,217
Minority interests	1,984	2,304
Total net assets	382,112	414,981
Total liabilities and net assets	2,005,469	2,024,080

(2) CONSOLIDATED STATEMENTS OF INCOME

(Unit: millions of yen)

	Year ended Mar. 31, 2009	Year ended Mar. 31, 2010
Operating revenue	704,936	584,484
Electric utility operating revenue	648,362	530,289
Other business operating revenue	56,574	54,194
Operating expenses	647,828	535,544
Electric utility operating expenses	588,808	478,644
Other business operating expenses	59,019	56,899
Operating income	57,108	48,939
Non-operating income	13,282	18,734
Dividends income	1,706	1,406
Interest income	960	581
Equity in earnings of affiliates	7,470	11,722
Other	3,145	5,024
Non-operating expenses	30,791	25,979
Interest expenses	22,616	23,085
Other	8,174	2,894
Total ordinary revenue	718,219	603,218
Total ordinary expenses	678,619	561,524
Ordinary income	39,599	41,694
Provision or reversal of reserve for fluctuation in water levels	413	411
Reversal of reserve for fluctuation in water levels	413	411
Extraordinary income	12,170	-
Distribution by dissolution of anonymous association	12,170	-
Extraordinary loss	19,648	-
Loss on valuation of securities	19,648	-
Income before income taxes and minority interests	32,536	42,105
Income taxes-current	17,928	11,270
Income taxes-deferred	4,945	1,883
Total income taxes	12,982	13,153
Minority interests in income (loss)	95	197
Net income	19,457	29,149

(3) CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unit: millions of yen)

	Year ended Mar. 31, 2009	Year ended Mar. 31, 2010
Shareholders' equity		
Capital stock		
Balance at the end of previous period	152,449	152,449
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	152,449	152,449
Capital surplus		
Balance at the end of previous period	81,849	81,849
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	81,849	81,849
Retained earnings		
Balance at the end of previous period	230,032	236,998
Changes of items during the period		
Dividends from surplus	12,491	10,503
Net income	19,457	29,149
Total changes of items during the period	6,966	18,645
Balance at the end of current period	236,998	255,643
Treasury stock		
Balance at the end of previous period	64	63,260
Changes of items during the period		
Purchase of treasury stock	63,195	1
Total changes of items during the period	63,195	1
Balance at the end of current period	63,260	63,262
Total shareholders' equity		
Balance at the end of previous period	464,266	408,036
Changes of items during the period		
Dividends from surplus	12,491	10,503
Net income	19,457	29,149
Purchase of treasury stock	63,195	1
Total changes of items during the period	56,229	18,643
Balance at the end of current period	408,036	426,680

(Unit: millions of yen)

	Year ended Mar. 31, 2009	Year ended Mar. 31, 2010
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	1,934	404
Changes of items during the period		
Net changes of items other than shareholders' equity	2,339	3,365
Total changes of items during the period	2,339	3,365
Balance at the end of current period	404	2,960
Deferred gains or losses on hedges		
Balance at the end of previous period	6,759	6,285
Changes of items during the period		
Net changes of items other than shareholders' equity	474	2,538
Total changes of items during the period	474	2,538
Balance at the end of current period	6,285	3,747
Foreign currency translation adjustment		
Balance at the end of previous period	6,941	21,217
Changes of items during the period		
Net changes of items other than shareholders' equity	28,159	8,000
Total changes of items during the period	28,159	8,000
Balance at the end of current period	21,217	13,217
Total valuation and translation adjustments		
Balance at the end of previous period	2,116	27,908
Changes of items during the period		
Net changes of items other than shareholders' equity	30,024	13,904
Total changes of items during the period	30,024	13,904
Balance at the end of current period	27,908	14,003
Minority interests		
Balance at the end of previous period	1,735	1,984
Changes of items during the period		
Net changes of items other than shareholders' equity	248	320
Total changes of items during the period	248	320
Balance at the end of current period	1,984	2,304
Total net assets		
Balance at the end of previous period	468,118	382,112
Changes of items during the period		
Dividends from surplus	12,491	10,503
Net income	19,457	29,149
Purchase of treasury stock	63,195	1
Net changes of items other than shareholders' equity	29,776	14,225
Total changes of items during the period	86,006	32,869
Balance at the end of current period	382,112	414,981

(4) CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unit: millions of yen)

	Year ended Mar. 31, 2009	Year ended Mar. 31, 2010
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	32,536	42,105
Depreciation and amortization	114,669	120,313
Impairment loss	439	384
Loss on retirement of noncurrent assets	4,182	2,516
Increase (decrease) in provision for retirement benefits	12,848	5,923
Increase (decrease) in reserve for fluctuation in water levels	413	411
Interest and dividends income	2,666	1,987
Interest expenses	22,616	23,085
Decrease (increase) in notes and accounts receivable-trade	6,040	6,311
Decrease (increase) in inventories	17,637	17,645
Increase (decrease) in notes and accounts payable-trade	1,109	7,034
Loss (gain) on sales of securities	2	231
Loss (gain) on valuation of securities	19,648	-
Equity in (earnings) losses of affiliates	7,470	11,722
Loss (gain) on sales of noncurrent assets	38	590
Distribution by dissolution of anonymous association	12,170	-
Other, net	24,235	10,205
Subtotal	183,709	200,170
Interest and dividends income received	15,368	5,845
Interest expenses paid	22,079	22,987
Income taxes paid	18,369	13,880
Net cash provided by (used in) operating activities	158,628	169,148
Net cash provided by (used in) investing activities		
Purchase of noncurrent assets	173,119	114,967
Proceeds from contribution received for construction	8,619	9,962
Proceeds from sales of noncurrent assets	58,657	1,860
Payments of investment and loans receivable	27,643	23,456
Collection of investment and loans receivable	7,901	3,896
Purchase of investments in subsidiaries resulting in change in scope of consolidation	2,611	495
Other, net	4,154	6,305
Net cash provided by (used in) investing activities	132,350	129,504
Net cash provided by (used in) financing activities		
Proceeds from issuance of bonds	114,570	59,792
Redemption of bonds	60,300	-
Proceeds from long-term loans payable	9,803	122,794
Repayment of long-term loans payable	41,287	121,555
Increase in short-term loans payable	193,040	42,500
Decrease in short-term loans payable	190,023	38,294
Proceeds from issuance of commercial papers	639,380	475,905
Redemption of commercial papers	619,000	561,000
Purchase of treasury stock	63,195	-
Cash dividends paid	12,499	10,503
Cash dividends paid to minority shareholders	20	2
Other, net	83	11
Net cash provided by (used in) financing activities	29,615	30,351
Effect of exchange rate change on cash and cash equivalents	2,764	1,506
Net increase (decrease) in cash and cash equivalents	6,101	10,798
Cash and cash equivalents at beginning of period	35,631	29,530
Cash and cash equivalents at end of period	29,530	40,328

(5) Note concerning conditions regarding ongoing business concerns

There are no applicable items.

(6) Key items for preparing consolidated financial statement

There were no significant changes except for the follow from the previous consolidated fiscal year, so this has been omitted from this release.

Standard for recording significant provisions

Provision for retirement benefits

To provide for provision for retirement benefits, the company has recorded an estimated amount of retirement benefit liabilities and pension assets at the end of the current consolidated fiscal year.

The company has mainly charged actuarial differences to expenses based on the fixed rate method over a period of two years from the consolidated accounting year following the fiscal year in which they occurred, and mainly charged past service obligations to expenses based on the straight line method over a period of two years from the time of occurrence.

(Changes in accounting method)

Previously, the Company started to amortize actuarial differences of provisions for employee retirement benefits in the fiscal year in which they occurred, but beginning with the current consolidated fiscal year, these will be amortized from the consolidated fiscal year following the fiscal year in which they occurred.

In recent years, stock price fluctuations have resulted in the amortization of significant actuarial differences unforeseen at the time budgets were prepared. This has resulted in a significant gap between the budgeted and actual costs of employee retirement benefits, which in turn has a material impact on budget management and performance forecasting.

Furthermore, in the Company's move from tax-qualified pension plans to defined benefit plans in fiscal 2006 and as a result of an expansion of benefit options, employee retirement benefit plans have grown more complex. In addition, based on revisions to human resource and pension plans in the current consolidated fiscal year, and to ensure that the employee retirement benefit plans are accurately and objectively reflected in pension calculations, the Company will implement a fundamental reevaluation of the system, including bringing an external pension accountant in to the pension calculation process previously conducted in-house. With the understanding that considerably more time will be required to determine the actual amount of retirement benefit liability than in previous years and the need for timely disclosure in the securities market, as of the consolidated fiscal year actuarial differences will be charged as expenses from the fiscal year following the year of occurrence.

The change from the previous method results in an increase of 3,440 million yen in operating expenses and a decrease of the same amount in ordinary income and net proceeds before adjustment for taxes respectively.

As of the current fiscal year, partial amendment (Part 3) of the Accounting Standard for Retirement Benefits (Corporate Accounting Standard No. 19, issued July 31, 2008) applies.

Please note that there is no change in the retirement benefit liability accompanying the application of this accounting standard and therefore has no effect on income and expenses.

Standard for recording significant income and expenses

Standard for recording of construction revenues and costs applicable to completed construction work

- For construction where the results of work completed as of the end of the current consolidated fiscal year can be deemed assured
 - Percentage of completion method (cost accounting method used to estimate the percentage of completion)
- Other construction
 - Completed contract method

(Changes in accounting method)

As of the current fiscal year, the Accounting Standards for Construction Contracts (Accounting Standards Board of Japan, Statement No. 15 of December 27, 2007) and the Guideline for Application of Accounting Standards Related to Construction Contracts (Guideline to Apply the Accounting Standards Board of Japan, No. 18 of December 27, 2007) will be applied to the recording of revenue related to contract construction. For construction contracts on which work begins in the current first quarter consolidated accounting period, where the results of work completed as of the end of the current third quarter consolidated accounting period can be deemed assured, the percentage of completion method will apply (with the cost accounting method used to estimate the percentage of completion), while the completed contract method will apply to all other construction.

The effect of this on profits and losses is negligible.

(7) Changes in key items for preparing consolidated financial statement

Changes in Indication Method

(Consolidated balance sheet)

Accompanying revision of Electric Utilities Industry Accounting Regulations under a ministerial ordinance revising in part the rules for reporting on electricity business (Ministerial Ordinance for Partial Amendment to Rules for Electricity-related Reports, Ministerial Ordinance No. 20 of the Ministry of Economy, Trade and Industry, 2010), wind power generation and geothermal power generation facilities are presented as “Renewable power production facilities.”

In the previous consolidated fiscal year, the above facilities were included, 23,387 million yen under “Hydroelectric power production facilities”, and 1,097 million yen under “Thermal power production facilities”.

(Reporting of Consolidated Cash Flows)

Due to the diminished importance during the current consolidated fiscal year of valuation gains and losses on marketable securities revaluation (gains of 54 million yen for the current consolidated fiscal year) generally stated under Cash Flow from Operating Activities and expenditure due to the acquisition of treasury stock (gains of 1 million yen for the current consolidated fiscal year) stated under “Cash Flow due to Financing Activities,” the former is included in “Others” in Cash Flow from Operating Activities and the latter in “Others” in Cash Flow from Financing Activities.

(8) Notes to Consolidated Financial Statements

Segment Information

(1) Business Segments

[Year ended Mar.31,2009]

(Unit: millions of yen)

	Electric Power	Electric power-related	Other Businesses	Subtotal	Eliminations	Consolidated
I Operating revenues						
Sales						
(1) Sales to customers	648,362	23,488	33,085	704,936	-	704,936
(2) Intersegment sales						
Sales and transfers	3,153	329,388	3,349	335,891	(335,891)	-
Total sales	651,515	352,877	36,434	1,040,827	(335,891)	704,936
Operating expenses	606,905	341,307	36,074	984,287	(336,458)	647,828
Operating income	44,610	11,569	360	56,540	567	57,108
II Assets, depreciation, impairment losses and capital expenditures						
Assets	1,862,964	165,582	139,416	2,167,963	(162,494)	2,005,469
Depreciation	113,112	3,406	1,174	117,693	(3,023)	114,669
Impairment losses	111	327	-	439	-	439
Capital expenditures	154,096	13,170	4,897	172,164	(36)	172,128

[Year ended Mar.31,2010]

(Unit: millions of yen)

	Electric Power	Electric power-related	Other Businesses	Subtotal	Eliminations	Consolidated
I Operating revenues						
Sales						
(1) Sales to customers	530,289	24,095	30,099	584,484	-	584,484
(2) Intersegment sales						
Sales and transfers	3,149	264,928	3,067	271,146	(271,146)	-
Total sales	533,439	289,023	33,167	855,630	(271,146)	584,484
Operating expenses	495,144	277,816	33,468	806,430	(270,885)	535,544
Operating income	38,294	11,207	(301)	49,200	(270,885)	48,939
II Assets, depreciation, impairment losses and capital expenditures						
Assets	1,839,486	169,518	158,604	2,167,608	(143,528)	2,024,080
Depreciation	119,241	2,838	1,398	123,478	(3,164)	120,313
Impairment losses	49	15	320	384	-	384
Capital expenditures	106,737	2,507	6,071	115,317	(3,084)	112,233

As indicated in "Key items for preparing consolidated financial statement", the Company in the past reported actuarial differences as expenses in the year of their occurrence. However, as of the current consolidated fiscal year actuarial differences are to be charged to expenses from the following fiscal year. This change results in an increase of \3,440 million in operating expenses and a decrease in operating income of the same amount for the electricity business segment in the current consolidated fiscal year.

This change has no effect on other segments.

(2) Geographic segments

Since the proportion of the Company's business that is conducted in Japan accounts for more than 90% of the Company's total revenues, geographic segment information is not presented.

(3) Overseas revenues

Overseas revenues are omitted because revenues from foreign countries account for less than 10% of the Company's total revenues.

Revenues and Expenses (Consolidated)

	Year ended Mar. 31,2010(A)	Year ended Mar. 31,2009(B)	(A) - (B)	(A / B)
	million yen	million yen	million yen	%
Operating revenue	584,484	704,936	120,452	82.9%
Electric utility operating revenue	530,289	648,362	118,072	81.8%
Electric power sales to other companies	473,443	591,337	117,894	80.1%
Wholesale power business	458,688	571,282	112,593	80.3%
Hydroelectric	108,994	110,945	1,950	98.2%
Thermal	349,693	460,336	110,642	76.0%
Other electric power businesses	14,754	20,055	5,300	73.6%
Transmission revenues	54,402	55,414	1,012	98.2%
Other electricity revenues	2,444	1,610	833	151.8%
Other business operating revenue	54,194	56,574	2,379	95.8%
Operating expenses	535,544	647,828	112,283	82.7%
Electric utility operating expenses	478,644	588,808	110,163	81.3%
Personnel expenses	36,264	43,651	7,386	83.1%
Fuel cost	178,048	264,397	86,349	67.3%
Repair expense	44,480	51,476	6,996	86.4%
Consignment cost	32,058	33,244	1,185	96.4%
Taxes and duties	26,507	29,162	2,655	90.9%
Depreciation and amortization cost	116,095	110,122	5,973	105.4%
Other	45,190	56,752	11,562	79.6%
Other business operating expenses	56,899	59,019	2,119	96.4%
Operating income	48,939	57,108	8,168	85.7%
Non-operating revenue	18,734	13,282	5,451	141.0%
Dividend income	1,406	1,706	300	82.4%
Interest income	581	960	379	60.5%
Equity income of affiliates	11,722	7,470	4,251	156.9%
Other	5,024	3,145	1,879	159.7%
Non-operating expenses	25,979	30,791	4,811	84.4%
Interest expenses	23,085	22,616	468	102.1%
Other	2,894	8,174	5,279	35.4%
Total Ordinary Revenues	603,218	718,219	115,000	84.0%
Total Ordinary Expenses	561,524	678,619	117,095	82.7%
Ordinary income	41,694	39,599	2,094	105.3%
(Provision for)reversal of reserve for fluctuation in water level	411	413	1	-
Extraordinary income	-	12,170	12,170	-
Extraordinary loss	-	19,648	19,648	-
Income before income taxes and minority interests	42,105	32,536	9,569	129.4%
Income taxes - current	11,270	17,928	6,658	62.9%
Income taxes - deferred	1,883	4,945	6,829	-
Minority interests in income(losses)	197	95	292	-
Net Income	29,149	19,457	9,691	149.8%

(Note) Figures less than one million yen have been rounded down.

(1) Generation capacity

(Units: kW)

	Year ended Mar. 31,2010(A)	Year ended Mar. 31,2009(B)	(A) – (B)
Wholesale power business	16,987,500	16,385,000	602,500
Hydroelectric	8,560,500	8,560,500	-
Thermal	8,427,000	7,824,500	602,500
Other electric power businesses (1)	622,510	605,830	16,680
Total	17,610,010	16,990,830	619,180

* (1) Operated by IPP(ITOIGAWA POWER Inc.), PPS(Ichihara Power Co., Ltd., Bay Side Energy Co., Ltd.), Wind Power(Nikaho-kogen Wind Power Co., Ltd., Green Power Kuzumaki Co., Ltd., Nagasaki-shikamachi Wind Power Co., Ltd., Green Power Aso Co., Ltd., J-Wind TAHARA Ltd., Dream-Up Tomamae Co., Ltd., Green Power Setana Co., Ltd., and Green Power Koriyama Nunobiki Co., Ltd., Sarakitomanai Wind Power Co., Ltd., Yuya Wind Power Co., Ltd., Minami Kyushu Wind Power Co., Ltd., WINDTECH OGUNI CORPORATION, Hamanasu Wind Power Co., Ltd., WINDTECH TAHARA CORPORATION, and J-Wind TOKIO Co., Ltd.)

(2) Electricity sales and revenue

(Units: million kWh, million yen)

	Year ended Mar. 31,2010(A)		Year ended Mar. 31,2009(B)		(A) – (B)	
	Electricity sales	Electricity and transmission revenue	Electricity sales	Electricity and transmission revenue	Electricity sales	Electricity and transmission revenue
Wholesale power business	55,760	458,688	57,532	571,282	1,771	112,593
Hydroelectric	9,214	108,994	8,384	110,945	829	1,950
Thermal	46,546	349,693	49,147	460,336	2,601	110,642
Other electric power businesses (1)	1,477	14,754	1,616	20,055	138	5,300
Subtotal	57,238	473,443	59,148	591,337	1,910	117,894
Transmission	-	54,402	-	55,414	-	1,012
Total	57,238	527,845	59,148	646,751	1,910	118,906

* (1) Operated by IPP(ITOIGAWA POWER Inc.), PPS(Ichihara Power Co., Ltd., Bay Side Energy Co., Ltd.), Wind Power(Nikaho-kogen Wind Power Co., Ltd., Green Power Kuzumaki Co., Ltd., Nagasaki-shikamachi Wind Power Co., Ltd., Green Power Aso Co., Ltd., J-Wind TAHARA Ltd., Dream-Up Tomamae Co., Ltd., Green Power Setana Co., Ltd., Green Power Koriyama Nunobiki Co., Ltd., Sarakitomanai Wind Power Co., Ltd., Yuya Wind Power Co., Ltd., Minami Kyushu Wind Power Co., Ltd., WINDTECH OGUNI CORPORATION, and Hamanasu Wind Power Co., Ltd.)

* (2) In addition, because the acquisition date of WINDTECH TAHARA CORPORATION and J-Wind TOKIO Co., Ltd. deemed as the end of the current consolidated financial year and only consolidated in the balance sheet, these are not included in the Company's sales results.

(3) Result of water supply rate

(Units: %)

	Year ended Mar. 31,2010(A)	Year ended Mar. 31,2009(B)	(A) – (B)
Water supply rate	96	88	8

5. NON-CONSOLIDATED FINANCIAL SHEETS

(1) NON-CONSOLIDATED BALANCE SHEETS

(Unit: millions of yen)

	As of Mar. 31, 2009	As of Mar. 31, 2010
(Assets)		
Noncurrent assets	1,796,175	1,808,678
Electric utility plant and equipment	1,220,808	1,215,919
Hydroelectric power production facilities	428,270	413,221
Thermal power production facilities	469,618	489,556
Renewable power production facilities	-	2,084
Transmission facilities	221,274	211,312
Transformation facilities	37,929	36,360
Communication facilities	10,384	10,121
General facilities	53,331	53,261
Incidental business facilities	2,321	2,070
Non-operating facilities	461	248
Construction in progress	313,664	287,204
Construction in progress	313,542	286,540
Retirement in progress	121	664
Nuclear fuel	27,650	38,688
Nuclear fuel in processing	27,650	38,688
Investments and other assets	231,268	264,546
Long-term investments	46,787	72,083
Long-term investment for subsidiaries and affiliates	143,118	152,399
Long-term prepaid expenses	2,164	1,824
Deferred tax assets	40,084	39,079
Allowance for doubtful accounts	886	840
Current assets	114,416	93,826
Cash and deposits	4,973	5,151
Accounts receivable-trade	44,178	39,848
Other accounts receivable	5,186	4,870
Short-term investments	22	-
Supplies	38,414	19,087
Prepaid expenses	1,002	1,219
Short-term receivables from subsidiaries and affiliates	4,880	9,516
Deferred tax assets	4,150	2,993
Other current assets	11,622	11,138
Allowance for doubtful accounts	14	-
Total assets	1,910,592	1,902,504

(Unit: millions of yen)

	As of Mar. 31, 2009	As of Mar. 31, 2010
Liabilities		
Noncurrent liabilities	1,256,467	1,302,695
Bonds payable	717,867	689,883
Long-term loans payable	481,577	550,955
Long-term accrued liabilities	2	1
Lease obligations	133	218
Long-term debt to subsidiaries and affiliates	3,073	4,887
Provision for retirement benefits	41,439	46,351
Other noncurrent liabilities	12,373	10,396
Current liabilities	316,383	252,974
Current portion of noncurrent liabilities	117,815	136,703
Short-term loans payable	9,000	12,750
Commercial papers	109,971	24,998
Accounts payable-trade	1,220	4,452
Accounts payable-other	8,040	9,892
Accrued expenses	11,349	10,407
Accrued taxes	13,539	3,790
Deposits received	261	278
Short-term debt to subsidiaries and affiliates	42,331	47,298
Other advances	938	583
Other current liabilities	1,916	1,818
Reserves under the special laws	1,146	734
Reserve for fluctuation in water levels	1,146	734
Total liabilities	1,573,998	1,556,404
Net assets		
Shareholders' equity	338,012	343,879
Capital stock	152,449	152,449
Capital surplus	81,852	81,852
Legal capital surplus	81,852	81,852
Retained earnings	166,971	172,839
Legal retained earnings	6,029	6,029
Other retained earnings	160,941	166,810
Reserve for special disaster	50	53
Exchange-fluctuation preparation reserve	1,960	1,960
General reserve	137,861	137,861
Retained earnings brought forward	21,070	26,935
Treasury stock	63,260	63,262
Valuation and translation adjustments	1,417	2,220
Valuation difference on available-for-sale securities	1,214	2,634
Deferred gains or losses on hedges	203	414
Total net assets	336,594	346,099
Total liabilities and net assets	1,910,592	1,902,504

(2) NON-CONSOLIDATED STATEMENTS OF INCOME

(Unit: millions of yen)

	Year ended Mar. 31, 2009	Year ended Mar. 31, 2010
Operating revenue	645,850	530,436
Electric utility operating revenue	631,452	518,682
Sold power to other suppliers	571,282	458,688
Transmission revenue	55,414	54,402
Other electricity revenue	4,755	5,591
Incidental business operating revenue	14,398	11,753
Operating revenue-consulting business	2,022	2,136
Operating revenue-coal sale business	11,434	7,905
Operating revenue-other businesses	940	1,711
Operating expenses	601,122	489,531
Electric utility operating expenses	588,224	479,085
Hydroelectric power production expenses	68,281	60,904
Thermal power production expenses	402,159	319,569
Renewable power production expenses	-	802
Purchased power from other suppliers	80	15
Transmission expenses	28,475	27,523
Transformation expenses	7,020	6,785
Selling expenses	1,307	1,225
Communicating expenses	6,242	6,275
General and administrative expenses	66,407	49,349
Enterprise tax	8,250	6,634
Incidental business operating expenses	12,897	10,446
Operating expenses-consulting business	1,446	1,546
Operating expenses-coal sale business	10,589	7,424
Operating expenses-other businesses	861	1,475
Operating income	44,728	40,904
Non-operating income	6,617	6,463
Financial revenue	4,933	3,547
Dividends income	3,775	2,346
Interest income	1,158	1,200
Non-operating revenue	1,683	2,916
Gain on sales of noncurrent assets	5	600
Miscellaneous revenue	1,678	2,316
Non-operating expenses	28,950	23,576
Financial expenses	22,294	22,175
Interest expenses	21,915	21,967
Bond issuance cost	379	207
Non-operating expenses	6,655	1,400
Loss on sales of noncurrent assets	32	-
Miscellaneous expenses	6,622	1,400
Total ordinary revenue	652,468	536,899
Total ordinary expenses	630,072	513,107
Ordinary income	22,395	23,791
Provision or reversal of reserve for fluctuation in water levels	413	411
Reversal of reserve for fluctuation in water levels	413	411
Extraordinary income	14,472	-
Distribution by dissolution of anonymous association	12,170	-
Gain on extinguishment of tie-in shares	2,301	-
Extraordinary loss	19,647	-
Loss on valuation of securities	19,647	-
Income before income taxes	17,635	24,203
Income taxes-current	13,389	6,660
Income taxes-deferred	5,781	1,170
Total income taxes	7,608	7,831
Net income	10,026	16,372

(3) NON - CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unit: millions of yen)

	Year ended Mar. 31, 2009	Year ended Mar. 31, 2010
Shareholders' equity		
Capital stock		
Balance at the end of previous period	152,449	152,449
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	152,449	152,449
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	81,852	81,852
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	81,852	81,852
Total capital surplus		
Balance at the end of previous period	81,852	81,852
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	81,852	81,852
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	6,029	6,029
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	6,029	6,029
Other retained earnings		
Reserve for special disaster		
Balance at the end of previous period	47	50
Changes of items during the period		
Provision of reserve for special disaster	3	3
Total changes of items during the period	3	3
Balance at the end of current period	50	53
Exchange-fluctuation preparation reserve		
Balance at the end of previous period	1,960	1,960
Change of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	1,960	1,960
General reserve		
Balance at the end of previous period	132,861	137,861
Changes of items during the period		
Provision of general reserve	5,000	-
Total changes of items during the period	5,000	-
Balance at the end of current period	137,861	137,861
Retained earnings brought forward		
Balance at the end of previous period	28,538	21,070
Changes of items during the period		
Dividends from surplus	12,491	10,503
Net income	10,026	16,372
Provision of reserve for special disaster	3	3
Provision of general reserve	5,000	-
Total changes of items during the period	7,468	5,865
Balance at the end of current period	21,070	26,935
Total retained earnings		
Balance at the end of previous period	169,436	166,971
Changes of items during the period		
Dividends from surplus	12,491	10,503
Net income	10,026	16,372
Provision of reserve for special disaster	-	-
Provision of general reserve	-	-
Total changes of items during the period	2,464	5,868
Balance at the end of current period	166,971	172,839

(Unit: millions of yen)

	Year ended Mar. 31, 2009	Year ended Mar. 31, 2010
Treasury stock		
Balance at the end of previous period	64	63,260
Changes of items during the period		
Purchase of treasury stock	63,195	1
Total changes of items during the period	63,195	1
Balance at the end of current period	63,260	63,262
Total shareholders' equity		
Balance at the end of previous period	403,672	338,012
Changes of items during the period		
Dividends from surplus	12,491	10,503
Net income	10,026	16,372
Purchase of treasury stock	63,195	1
Total changes of items during the period	65,660	5,867
Balance at the end of current period	338,012	343,879
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	1,068	1,214
Changes of items during the period		
Net changes of items other than shareholders' equity	2,282	3,849
Total changes of items during the period	2,282	3,849
Balance at the end of current period	1,214	2,634
Deferred gains or losses on hedges		
Balance at the end of previous period	101	203
Changes of items during the period		
Net changes of items other than shareholders' equity	304	211
Total changes of items during the period	304	211
Balance at the end of current period	203	414
Total valuation and translation adjustments		
Balance at the end of previous period	1,169	1,417
Changes of items during the period		
Net changes of items other than shareholders' equity	2,587	3,638
Total changes of items during the period	2,587	3,638
Balance at the end of current period	1,417	2,220
Total net assets		
Balance at the end of previous period	404,842	336,594
Changes of items during the period		
Dividends from surplus	12,491	10,503
Net income	10,026	16,372
Purchase of treasury stock	63,195	1
Net changes of items other than shareholders' equity	2,587	3,638
Total changes of items during the period	68,248	9,505
Balance at the end of current period	336,594	346,099

(4) Note concerning conditions regarding ongoing business concerns

There are no applicable items.

(5) Important Accounting Method

Standard for recording provisions

Provision for retirement benefits

To provide for provision for retirement benefits, the company has recorded an estimated amount of retirement benefit liabilities and pension assets at the end of the current non-consolidated fiscal year.

The company has mainly charged actuarial differences to expenses based on the fixed rate method over a period of two years from the consolidated accounting year following the fiscal year in which they occurred, and mainly charged past service obligations to expenses based on the straight line method over a period of two years from the time of occurrence.

(Changes in accounting method)

Previously, the Company started to amortize actuarial differences of provisions for employee retirement benefits in the fiscal year in which they occurred, but beginning with the current non-consolidated fiscal year, these will be amortized from the non-consolidated fiscal year following the fiscal year in which they occurred.

In recent years, stock price fluctuations have resulted in the amortization of significant actuarial differences unforeseen at the time budgets were prepared. This has resulted in a significant gap between the budgeted and actual costs of employee retirement benefits, which in turn has a material impact on budget management and performance forecasting.

Furthermore, in the Company's move from tax-qualified pension plans to defined benefit plans in fiscal 2006 and as a result of an expansion of benefit options, employee retirement benefit plans have grown more complex. In addition, based on revisions to human resource and pension plans in the current non-consolidated fiscal year, and to ensure that the employee retirement benefit plans are accurately and objectively reflected in pension calculations, the Company will implement a fundamental reevaluation of the system, including bringing an external pension accountant in to the pension calculation process previously conducted in-house. With the understanding that considerably more time will be required to determine the actual amount of retirement benefit liability than in previous years and the need for timely disclosure in the securities market, as of the non-consolidated fiscal year actuarial differences will be charged as expenses from the fiscal year following the year of occurrence.

The change from the previous method results in an increase of 3,440 million yen in operating expenses and a decrease of the same amount in ordinary income and net proceeds before adjustment for taxes respectively.

As of the current fiscal year, partial amendment (Part 3) of the Accounting Standard for Retirement Benefits (Corporate Accounting Standard No. 19, issued July 31, 2008) applies.

Please note that there is no change in the retirement benefit liability accompanying the application of this accounting standard and therefore has no effect on income and expenses.

(6) Changes in Important Accounting Method

Changes in Indication Method

(Non-Consolidated Balance Sheet)

Accompanying revision of Electric Utilities Industry Accounting Regulations under a ministerial ordinance revising in part the rules for reporting on electricity business (Ministerial

Ordinance for Partial Amendment to Rules for Electricity-related Reports, Ministerial Ordinance No. 20 of the Ministry of Economy, Trade and Industry, 2010), geothermal power generation facilities owned by J-POWER are presented as “Renewable power production facilities” as of the current fiscal year.

In the previous non-consolidated fiscal year, the above facilities were included under “Thermal power production facilities” at a total amount of 1,321 million yen.

(Non-Consolidated Statement of Income)

Accompanying revision of Electric Utilities Industry Accounting Regulations under a ministerial ordinance revising in part the rules for reporting on electricity business (Ministerial Ordinance for Partial Amendment to Rules for Electricity-related Reports, Ministerial Ordinance No. 20 of the Ministry of Economy, Trade and Industry, 2010), costs related to geothermal power generation facilities owned by J-POWER are presented as “Renewable power production expenses” as of the current fiscal year.

In the previous non-consolidated fiscal year, the above expenses were included under “Thermal power production expenses” at a total amount of 831 million yen.

Revenue and Expenses (Non-Consolidated)

	Year ended Mar. 31,2010 (A)	Year ended Mar. 31,2009 (B)	(A - B)	(A / B)
	million yen	million yen	million yen	%
Operating revenues	530,436	645,850	115,414	82.1
Electric utility operating revenues	518,682	631,452	112,769	82.1
Sold power to other suppliers	458,688	571,282	112,593	80.3
Hydroelectric	108,994	110,945	1,950	98.2
Thermal	349,693	460,336	110,642	76.0
Transmission revenue	54,402	55,414	1,012	98.2
Other electricity revenue	5,591	4,755	835	117.6
Incidental business revenue	11,753	14,398	2,644	81.6
Operating expenses	489,531	601,122	111,590	81.4
Electric utility operating expenses	479,085	588,224	109,139	81.4
Personnel expenses	36,187	43,571	7,384	83.1
Fuel cost	173,957	255,156	81,199	68.2
Repair expense	45,390	55,419	10,029	81.9
Taxes and duties	25,792	28,380	2,588	90.9
Depreciation and amortization cost	115,585	109,741	5,844	105.3
Other	82,172	95,953	13,781	85.6
Incidental business operating expenses	10,446	12,897	2,451	81.0
Operating income	40,904	44,728	3,823	91.5
Non-operating revenues	6,463	6,617	154	97.7
Non-operating expenses	23,576	28,950	5,374	81.4
Interest expenses	22,175	22,294	119	99.5
Other	1,400	6,655	5,254	21.1
Total Ordinary Revenues	536,899	652,468	115,568	82.3
Total Ordinary Expenses	513,107	630,072	116,965	81.4
Ordinary income	23,791	22,395	1,396	106.2
(Provision for)reversal of reserve for fluctuation in water level	411	413	1	-
Extraordinary income	-	14,472	14,472	-
Extraordinary loss	-	19,647	19,647	-
Income before income taxes and minority interests	24,203	17,635	6,568	137.2
Income taxes - current	6,660	13,389	6,729	49.7
Income taxes deferred	1,170	5,781	6,951	-
Net Income	16,372	10,026	6,345	163.3

(Note) Figures less than one million yen have been rounded down.

(1) Generation capacity

(Units: kW)

	Year ended Mar. 31,2010(A)	Year ended Mar. 31,2009(A)	(A) – (B)
Hydroelectric	8,560,500	8,560,500	-
Thermal	8,427,000	7,824,500	602,500
Total	16,987,500	16,385,000	602,500

(2) Electricity sales and revenue

(Units: million kWh, million yen)

	Year ended Mar. 31,2010(A)		Year ended Mar. 31,2009(A)		(A) – (B)	
	Electricity sales	Electricity and transmission revenue	Electricity sales	Electricity and transmission revenue	Electricity sales	Electricity and transmission revenue
Hydroelectric	9,214	108,994	8,384	110,945	829	1,950
Thermal	46,546	349,693	49,147	460,336	2,601	110,642
Subtotal	55,760	458,688	57,532	571,282	1,771	112,593
Transmission	-	54,402	-	55,414	-	1,012
Total	55,760	513,091	57,532	626,696	1,771	113,605

(3) Result of water supply rate

(Units: %)

	Year ended Mar. 31,2010(A)	Year ended Mar. 31,2009(A)	(A) – (B)
Water supply rate	96	88	8