

(English Translation)

Financial Results (Unaudited) (for the Year Ended March 31, 2011)

April 28, 2011

Electric Power Development Co., Ltd. (J-POWER)

Listed exchange: Tokyo Stock Exchange (Code: 9513)

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Scheduled date of the Ordinary General Meeting of Shareholders:	June 28, 2011
Scheduled date of dividend payment commencement:	June 29, 2011
Scheduled date for filing of annual securities report:	June 29, 2011
Preparation of supplementary explanations of financial results:	Yes
Financial results presentation held:	Yes (for institutional investors and securities analysts)

(Note) All monetary values are rounded down to the nearest units as indicated in each table.

1. Consolidated Financial Results (From April 1, 2010 to March 31, 2011)

(1) Consolidated Operating Results

(Percentages (%) represent changes from the same period of the previous year)

	Operating revenues		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2011	635,975	8.8	70,588	44.2	56,322	35.1	19,583	(32.8)
Year ended March 31, 2010	584,484	(17.1)	48,939	(14.3)	41,694	5.3	29,149	49.8

(Note) Comprehensive income: Year ended March 31, 2011 9,955 million yen (76.8%)
Year ended March 31, 2010 42,863 million yen - %

	Net income per share	Fully diluted net income per share
	yen	yen
Year ended March 31, 2011	130.51	—
Year ended March 31, 2010	194.26	—

	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to operating revenues
	%	%	%
Year ended March 31, 2011	4.7	2.8	11.1
Year ended March 31, 2010	7.4	2.1	8.4

(Reference) Equity incomes of affiliates: Year ended March 31, 2011 9,072 million yen
Year ended March 31, 2010 11,722 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2011	2,012,386	414,898	20.7	2,770.77
Year ended March 31, 2010	2,024,080	414,981	20.4	2,750.20

(Reference) Shareholders' equity: Year ended March 31, 2011 415,762 million yen
Year ended March 31, 2010 412,677 million yen

(3) Consolidated Statements of Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
Year ended March 31, 2011	151,236	(124,675)	(29,172)	38,002
Year ended March 31, 2010	169,148	(129,504)	(30,351)	40,329

2. Dividends

	Cash dividends per share					Total amount of dividends	Dividend pay-out ratio	Ratio of dividends to net assets
	Record date				Annual			
	Jun. 30	Sep. 30	Dec. 31	Mar. 31				
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 31, 2010	—	35.00	—	35.00	70.00	10,503	36.0	2.6
Year ended March 31, 2011	—	35.00	—	35.00	70.00	10,503	53.6	2.5
Year ending March 31, 2012 (forecasts)	—	35.00	—	35.00	70.00		40.4	

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2012 (From April 1, 2011 to March 31, 2012)

(Percentages (%) represent changes from the same period of the previous year)

	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, 2011	316,000	1.6	33,000	(26.7)	28,000	(23.5)	18,000	26.4	119.96
Year ending March 31, 2012	642,000	0.9	48,000	(32.0)	40,000	(29.0)	26,000	32.8	173.27

4. Other Information

(1) Principal subsidiaries subject to changes: None

(2) Changes in principles, procedures, and methods of presentation in accounting treatment

1) Changes due to revisions of accounting standards etc.: Yes

2) Changes except 1): None

Note: Please refer to the page 23 - 24 for the details.

(3) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)

Year ended March 31, 2011: 166,569,600

Year ended March 31, 2010: 166,569,600

2) Treasury stock at the end of the period

Year ended March 31, 2011: 16,516,450

Year ended March 31, 2010: 16,516,109

3) Average number of shares outstanding during the period

Year ended March 31, 2011: 150,053,314

Year ended March 31, 2010: 150,053,858

* Presentation for quarterly review procedures

- At the time of disclosure of this report, review procedures for financial statements pursuant to the Financial Instruments and Exchange Act had not been completed.

* Forward-looking statements and other special notes

- 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.

[Reference]

1. Non-consolidated Financial Results (From April 1, 2010 to March 31, 2011)

(1) Non-consolidated Operating Results

(Percentages (%) represent changes from the same period of the previous year)

	Operating revenues		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2011	583,213	9.9	62,644	53.1	43,191	81.5	14,785	(9.7)
Year ended March 31, 2010	530,436	(17.9)	40,904	(8.5)	23,791	6.2	16,372	63.3

	Net income per share	Fully diluted net income per share
	yen	yen
Year ended March 31, 2011	98.53	—
Year ended March 31, 2010	109.11	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2011	1,884,830	349,079	18.5	2,326.37
Year ended March 31, 2010	1,902,504	346,099	18.2	2,306.51

(Reference) Shareholders' equity: Year ended March 31, 2011 349,079 million yen
Year ended March 31, 2010 346,099 million yen

2. Non-consolidated Earnings Forecasts for the Year Ending March 31, 2012 (From April 1, 2011 to March 31, 2012)

(Percentages (%) represent changes from the same period of the previous year)

	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, 2011	298,000	2.9	33,000	(22.1)	27,000	(20.8)	18,000	28.6	119.96
Year ending March 31, 2012	601,000	3.0	42,000	(33.0)	27,000	(37.5)	17,000	15.0	113.29

Table of Contents

1. Operating Results and Financial Position (Consolidated)	2
(1) Operating Results	2
(2) Financial Position	4
(3) Basic Policy Regarding Distribution of Profits; Current and Following Period Dividends	6
(4) Business Risks	6
2. Corporate Group	10
3. Management Policies	11
(1) Basic Management Policy	11
(2) Current Operating Environment and Key Issues to Address	11
4. Consolidated Financial Statements	15
(1) Consolidated Balance Sheets	15
(2) Consolidated Statements of Income and Comprehensive Income	17
(3) Consolidated Statements of Changes in Net Assets	19
(4) Consolidated Statements of Cash Flows	21
(5) Notes on Premise of Going Concern	23
(6) Significant Issues for the Preparation of Consolidated Financial Statements	23
(7) Changes in Significant Issues for the Preparation of Consolidated Financial Statements	23
(8) Reclassification	24
(9) Additional Information	24
(10) Notes to Consolidated Financial Statements	25
5. Non-consolidated Financial Statements	33
(1) Non-consolidated Balance Sheets	33
(2) Non-consolidated Statements of Income	35
(3) Non-consolidated Statements of Changes in Net Assets	37
6. Appendixes	39
[Appendix 1]	39
[Appendix 2]	40
[Appendix 3]	41

1. Operating Results and Financial Position (Consolidated)

(1) Operating Results

1) Electricity Sales Volume

Although the effects of foreign demand and the government's economic stimulus measures resulted in signs of improvement in capital investment and corporate earnings, the Japanese economy was characterized by austere conditions including high unemployment during the current fiscal year. The impact the Great East Japan Earthquake will have on Japan's economy is also a matter of significant concern.

Electric power demand in Japan for the current consolidated fiscal year surpassed that of the previous consolidated fiscal year due to consistently strong industrial demand and an increase in air conditioning demand as temperatures rose during a record-setting hot summer.

In the wholesale electric power business the Company's electricity sales volume from hydroelectric power plants for the consolidated fiscal year rose 11.4% year on year to 10.2 billion kWh with an improvement in the water supply rate from 96% for the same period a year ago to 106% for the current consolidated fiscal year. In thermal power, satisfactory operating rates at power plants including the Isogo New No. 2 Thermal Power Plant, which commenced commercial operation in July 2009, resulted in a 16.2% increase from the same period a year ago to 54 billion kWh. As a result, in the wholesale electric power business, total electricity sales volumes from both hydroelectric and thermal power plants grew 15.4% from the same period a year ago to 64.3 billion kWh.

Furthermore, despite new wind power business operations going on line, the sales volume of other electric power businesses declined by 1.1% from the previous consolidated fiscal year to 1.4 billion kWh due to a decline in operating rates of power plants for PPS (Power Producers and Suppliers) from the previous consolidated fiscal year. This led to a 15.0% increase to 65.8 billion kWh for all electric power business compared with the previous consolidated fiscal year.

2) Overview of Income and Expenditures

A rate revision from September 2009 onward caused sales (operating revenues) of hydroelectric power for the current consolidated fiscal year to decline despite the increase in volume of electric power sold as the water supply rate improved. Sales from thermal power plants increase from the previous consolidated fiscal year as the volume of electric power sold increased due to favorable operating rates of power plants including the Isogo New No. 2. With the inclusion of transmission revenues this culminated in an 8.8% year-on-year rise in operating revenues (sales) for the current period to 635.9 billion yen. After the inclusion of non-operating revenues, ordinary revenues for the current period rose 7.9% to 650.9 billion yen.

At the same time, operating expenses rose 5.6% from the previous consolidated fiscal year to 565.3 billion yen, due mainly to an increase in fuel costs accompanying an increase in the volume of electric power sold. This resulted in a 5.9% year-on-year increase in ordinary expenses for the current period to 594.6 billion yen, after the inclusion of non-operating expenses.

The above factors resulted in a 35.1% increase in ordinary income from the previous

consolidated fiscal year to 56.3 billion yen. While the Company posted gains on sales of securities as extraordinary income, it also posted extraordinary losses to account for losses on the valuation of securities due to impairment and impairment losses on part of assets for power generation owned by a consolidated subsidiary as well as losses on business liquidation in relation to an IPP project in Samet Tai, Thailand. After deducting corporate and other taxes, net income for the period decreased 32.8% to 19.5 billion yen compared to the same period a year ago.

A summary of income and expenditures by business segment for the current consolidated fiscal year follows.

(Electric Power Business)

Although sales revenues (electric utility operating revenue) for the hydroelectric power fell due to a rate change effective from September 2009, satisfactory operation of thermal power plants and the commencement of commercial operations of the Isogo New No. 2 Thermal Power Plant resulted in an increase in volume of electric power sold. As a result operating revenues increased 54.1 billion yen from the previous consolidated fiscal year to 587.5 billion yen.

Despite fuel price increases, segment income also rose 19.5 billion yen from the previous fiscal year to 41.8 billion yen due to an increase in sales.

(Electric Power-Related Business)

Sales (other business operating revenue) for the consolidated fiscal year rose 45.6 billion yen from the previous consolidated fiscal year to 334.6 billion yen as revenues from coal sales by consolidated subsidiaries and other sources rebounded

Segment income declined 1.0 billion yen to 10.4 billion yen from the previous consolidated fiscal year despite an increase in sales, due mainly to an increase in sales cost.

(Overseas Power Generation Business)

Sales (other business operating revenue) for the consolidated fiscal year rose 300 million yen to 1.8 billion yen from the previous consolidated fiscal year.

Segment income, on the other hand, fell 1.4 billion yen to 5.0 billion yen, due mainly to a decline in equity income of affiliates.

(Other Business)

Sales (other business operating revenue) for the current consolidated fiscal year fell 5.1 billion yen from the previous consolidated fiscal year to 26.1 billion yen due mainly to a decrease in sales in telecommunications construction by consolidated subsidiaries.

Segment income fell by 3.1 billion yen from the previous consolidated fiscal year to a 1.5 billion yen loss, due mainly to a decline in sales.

3) Earnings Forecasts

Sales (operating revenues) are forecasted to rise 0.9% from the fiscal year ended March 2011 to 642.0 billion yen.

Hydroelectric power sales volume is projected to drop off 6.8% from the fiscal year ended March 2011 to 9.5 billion kWh, based on the assumption that hydroelectric water supply will be at a normal level in the fiscal year ending March 2012 versus an abundant supply in the fiscal year ended March 2011. We also estimate that the thermal electric power sales volume will decrease 7.5% from the fiscal year ended March 2011 to 50.0 billion kWh in the fiscal year ending March 2012. At the same time, however, we can expect an increase in rate revenues due to an increase in sales unit prices accompanying an increase in fuel costs.

On the cost front, fuel costs are expected to rise along with increases in fuel prices. Personnel costs are also projected to rise in response to an increase in actuarial differences charged to expenses relating to provisions for retirement benefits. We also anticipate a rise in expenses for the development of business systems. As a result, operating income is expected to decrease 32% from the fiscal year ended March 2011 to 48.0 billion yen.

We anticipate a 29.0% decline in ordinary income from the year ending March 2011 to 40.0 billion yen along with a decline in non-operating expenses.

Electricity sales volume and other factors

	Year ended Mar. 31, 2011	Year ending Mar. 31, 2012
Hydroelectric electricity sales volume (billion kWh)	10.2	9.5
Thermal electricity sales volume (billion kWh)	54.0	50.0
Water supply rate (%)	106	100
Thermal power load factor (%)	78	72
Foreign exchange rate (Interbank rate) (yen/\$)	86	Approx. 85

(2) Financial Position

1) Assets, Liabilities and Net Assets

Despite investment in facilities such as Ohma Nuclear Power Plant, noncurrent assets fell to 37.1 billion yen to 1.8426 trillion yen at the end of the consolidated fiscal year, due to progress in depreciation. Current assets also rose 25.4 billion yen in value from the end of the previous consolidated fiscal year due to an upswing in trade accounts receivable and inventories. As a result, total assets declined 11.6 billion yen in value from the end of the previous consolidated fiscal year to 2.0123 trillion yen.

Meanwhile, liabilities fell by 11.6 billion yen from the end of the previous consolidated fiscal year, with total liabilities reaching 1.5974 trillion yen at the end of the consolidated fiscal year. Within this amount, interest-bearing debt fell 23.4 billion yen from the end of the previous consolidated fiscal year to 1.4290 trillion yen.

In addition, net assets as of the end of the current consolidated fiscal fell slightly to 414.8 billion yen from the end of the previous consolidated fiscal year despite the booking of net

income for the year. This was due mainly to a decrease in accumulated other comprehensive income and payment of dividends from surplus. The shareholders' equity ratio shifted upwards from 20.4% at the end of the previous consolidated fiscal year to 20.7%.

2) Cash Flow

Cash inflow of 151.2 billion yen from operating activities was recorded, but there were outlays of 124.6 billion yen for investment activities and 29.1 billion yen for financing activities, resulting in a balance of cash and cash equivalents of 38 billion yen as of the end of the current consolidated fiscal year after inclusion of the 40.3 billion yen balance from the previous consolidated fiscal year, a decrease of 2.3 billion yen from the previous consolidated fiscal year.

(Cash flows from operating activities)

Cash inflow from operating activities decreased 17.9 billion yen from the previous fiscal year to 151.2 billion yen, due mainly to increases inventories and accounts receivable.

(Cash flows from investing activities)

Cash outflow from investment activities declined by 4.8 billion yen compared to the same period a year ago to 124.6 billion yen, due mainly to a reduction in investment and loans.

(Cash flows from financing activities)

While there was an increase in the redemption of corporate bonds, a decline in the repayment of loans resulted in a decrease of 1.1 billion yen in cash flow from financing activities over the same period a year ago to an outflow of 29.1 billion yen.

3) Trends in Cash Flow Indicators

	Year ended Mar. 31, 2007	Year ended Mar. 31, 2008	Year ended Mar. 31, 2009	Year ended Mar. 31, 2010	Year ended Mar. 31, 2011
Equity ratio	23.1%	23.2%	19.0%	20.4%	20.7%
Equity ratio based on market capitalization	49.4%	29.7%	21.8%	22.8%	19.1%
Ratio of interest bearing debts to operating cash flow	9.0	10.5	9.3	8.6	9.4
Interest coverage ratio	7.2	6.1	7.2	7.4	6.6

Notes:

Equity ratio: $(\text{Net assets} - \text{Minority interests}) / \text{Total assets}$

Equity ratio based on market capitalization: $\text{Market capitalization} / \text{Total assets}$

Ratio of interest bearing debt to operating cash flow: $\text{Interest-bearing debts} / \text{Operating cash flow}$

Interest coverage ratio: $\text{Operating cash flow} / \text{Interest payments}$

(*) 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 most prominent characteristic of our business is that we secure returns on investment in power plants and other infrastructure through the long-term operation of these facilities, utilizing our well-established enterprise management expertise, including the construction of power plants and other infrastructure. J-POWER will continue to allocate an appropriate level of internal reserves to business investments aimed at new growth and endeavor to increase equity capital with the understanding that further strengthening our financial position is necessary.

In returning profit to our shareholders, we place the utmost importance on maintaining stable dividends in line with the characteristics of our business. Through long-term initiatives we will also work to enhance returns to shareholders in step with efforts to raise corporate value and achieve further growth in a sustainable manner.

Although the Great East Japan Earthquake of March 2011 has heightened the uncertainty of the current operating environment surrounding J-POWER, we are determined to reinforce our competitiveness in our core wholesale electric power business and to strengthen our earning power through the development of new businesses and other initiatives. From the standpoint of maintaining stable shareholder returns over the long term, we will pay a year-end dividend of 35 yen per share as our end-of-year distribution. Combined with the interim dividend of 35 yen per share, the total annual dividend payout will be 70 yen per share. For the year ending March 2012 we also plan to provide an annual payout of 70 yen per share (including an interim dividend of 35 yen).

(4) Business 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 28, 2011).

Except where a different interpretation is specified, the comments below are framed in consolidated terms, and the term "J-POWER" includes 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)).

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

J-POWER derives most of its operating revenues from wholesale power supply to Japan's 10 electric power companies (EPCOs). Amid intensifying competition driven by industry reforms in the electric power business, the EPCOs have reduced their retail electricity rates.

However, because our contract rates are calculated on a fair cost plus fair return on capital basis, we are not directly affected by the reduction in retail electricity rates. Nevertheless, EPCOs have been calling for a reduction in our contract rates, and it is possible that declines in retail electricity rates and intensifying competition could lead to stronger calls for the Company to lower its contract rates. Accordingly, a significant reduction in our contract rates going

forward could potentially have a material adverse effect on the results of our operations.

Wholesale power trading on the Japan Electric Power Exchange commenced in April 2005. J-POWER is currently trading in the wholesale power markets. Although we do not expect a large amount of electricity to be traded on the exchange in the near term, an increase in the importance of exchange-traded power prices as a price indicator could potentially have an indirect effect on our rate levels. If the rates set in contracts between J-POWER and EPCOs are higher than price indicators, this could potentially have a material adverse effect on the results of our operations.

2) Delay or Discontinuation of Our Current Power Plant Construction

Slacking growth in electricity demand in recent years has prompted EPCOs to postpone or cancel new power plant development and to shut down inefficient thermal power plants on a long-term or permanent basis. In some cases, we have also postponed the start of commercial operations or canceled the planned construction of power plants to supply EPCOs based on consultations with our EPCO clients. The cancellation of construction plans as a result of declining demand for electric power, other major changes in the operating environment, or unforeseen circumstances could potentially have a material adverse effect on the results of our operations.

3) Global Warming

J-POWER has a large number of coal-fired thermal power plants, which emit relatively high amounts of carbon dioxide with respect to power output compared to power plants that use LNG and other fossil fuels. Accordingly, we have taken various initiatives to combat global warming both in Japan and overseas.

These efforts notwithstanding, if new regulations or other rules are introduced, this could potentially have a materially adverse effect on the results of our operations.

4) Overseas Power Generation Business and Other Area of New Business

J-POWER is pursuing new initiatives in the overseas power generation business and new electric power businesses in Japan, with the aim of creating new profit sources. However, these businesses may not generate the level of profits that we anticipate, due to unforeseeable circumstances including: a major change in operating conditions; weakening demand; and changes in regulations. Moreover, changes in our business plans or the suspension of operations prompted by these circumstances could result in related expenses that could potentially have a materially adverse effect on the results of our operations. Overseas businesses also entail foreign exchange risk as well as country risk based on political instability and other factors.

5) Capital Funds

J-POWER expects it will need to raise a large amount of funds to build power plants, mainly the Ohma Nuclear Power Plant and Takehara Thermal Power Plant New Unit 1, which are scheduled to commence operations during the next ten years, as well as for refinancing outstanding debt, investments in the overseas power generation business and other purposes. If we are unable to raise the required funds on acceptable terms and in a timely manner due to

the prevailing conditions in the financial markets, the Company's credit situation, or other factors at that time, then this could potentially have a materially adverse effect on our business development and profitability.

6) Ohma Nuclear Power Plant

J-POWER has commenced construction of the Ohma Nuclear Power Plant (in Aomori Prefecture, scheduled to commence commercial operations in November 2014, capacity of 1,383 MW) after receiving authorization from the national authorities for a license to install a nuclear reactor in April 2008 and approval of the first application for construction plans for the first phase of construction in May.

The plan may be affected to a certain extent by the Great East Japan Earthquake of March 2011. From the standpoint of conducting construction efficiently with safety as the foremost priority, J-POWER is closely examining the details of construction plans and construction processes. Although it is the intention of J-POWER to continue carrying out the project as planned, any changes to the plan as a result of drastic changes in operating conditions, the occurrence of unforeseen events, or other factors could potentially affect the business performance of the Company.

Nuclear power generation involves various risks, such as those associated with the storage and handling of radioactive materials, as well as natural disasters and unforeseen accidents. J-POWER intends to ensure that these risks will be avoided or minimized after operation has commenced. However, in the event that any of these risks do materialize, it could adversely affect the business performance of the Company.

7) Coal-Fired Thermal Power Plant Fuel

J-POWER's coal-fired thermal power plants use imported coal as their main source of fuel, and fuel costs are affected by price fluctuations for imported coal, supply and demand dynamics for transport vessels, and problems with the facilities or operations of fuel suppliers, among other factors. Fuel prices are reflected in our electricity rates for EPCOs on a cost basis. These rates are generally revised every two years, though they are subject to annual revision if costs change significantly. As a result, fluctuations in coal prices have a limited impact on earnings. However, following a revision to wholesale electricity rates, if coal prices rise sharply before the next revision, there will be a delay before the rise in fuel prices are reflected in electricity rates. This could have a temporary adverse impact on the business performance of the Company.

8) Natural Disasters and Accidents

Should a natural disaster, human error, terrorist activity, fuel supply stoppage, or other unforeseen circumstance result in a major disruption of one of J-POWER's power plants, transmission or substation facilities, or with the information systems that control operations at these facilities, this could potentially hamper our business operations and consequently have a materially adverse effect on the surrounding environment as well as the results of our operations.

9) Regulatory Requirements

J-POWER's mainstay wholesale electric power business is subject to regulations of the Electricity Utilities Industry Law. In addition to this law, our business operations are subject to a variety of other laws. If we are unable to comply with these laws and regulations, or if these laws and regulations are revised, this could potentially have a materially adverse effect on our business operations and earnings.

10) Concentration on a Limited Number of Customers

Sales to EPCOs account for the majority of J-POWER's operating revenues. We expect EPCOs to remain our most important customers going forward, and accordingly, our earnings could potentially be affected by EPCOs' market share trends in the retail electricity market, as well as the fluctuations in demand for electric power in Japan after the Great East Japan Earthquake of March 2011.

11) Protection of Sensitive Information

J-POWER holds a large amount of important information that must be kept confidential, including personal information. J-POWER controls this information carefully by implementing information security measures, employee training programs and through other means. However, a leak of sensitive information outside the Company could adversely affect J-POWER's reputation and business performance.

2. Corporate Group

The J-POWER Group is comprised of J-POWER, 80 subsidiaries and 94 affiliates (as of March 31, 2011) and our core business is the wholesale electric power business where we supply electricity to Japan's 10 electric power companies (EPCOs) through hydroelectric and thermal power plants which we own. Through our power transmission and transforming facilities we also provide transmission services to nine EPCOs (excluding Okinawa Electric Power Company).

We report on four segments in our business activities: "Electric Power Business" which consists of wholesale electric power business, wind power plants, the wholesale supply of electricity to EPCOs by IPPs, and the wholesale supply of electricity to PPSs (Power Producers and Suppliers); "Electric Power-Related Businesses" that complement and contribute to the smooth and efficient implementation of our electric power business; "Overseas Power Generation Business" that engages in electric power plant projects overseas and businesses related to this; and "Other Businesses" which include various business activities including the sale of coal that fully utilize the Group's management resources and know-how.

As of the current consolidated fiscal year J-POWER has added "Overseas Business" to its reporting segments, increasing its reporting segments from three to four: Electric Power Business, Electric Power-Related Business, and Other Businesses.

There have been no material changes in the business contents of the J-POWER Group during the current consolidated fiscal year.

3. Management Policies

(1) Basic Management Policy

Under its corporate philosophy to “ensure constant supplies of energy to contribute to the sustainable development of Japan and the rest of the world,” J-POWER engages in ongoing initiatives to solidify its position as a sound, growing corporation that is attractive to many stakeholders as it fulfills its mission as a public enterprise. These initiatives include measures to ensure the reliability of our facilities operating in Japan, to promote the transition to a low-carbon society by making coal firing more efficient, to further expand our overseas businesses, particularly in Asia where growth is set to continue, and measures to strengthen our financial position to support our various businesses and projects.

Through these initiatives we strive to increase corporate value and meet the expectations of our various stakeholders as we practice fair, transparent management in conducting the affairs of J-POWER.

(2) Current Operating Environment and Key Issues to Address

1) J-POWER’s Response to the Business Environment

The Great East Japan Earthquake of March 2011 heightened calls from society throughout Japan for the stable supply of electricity and securing the safety of nuclear energy. J-POWER reaffirms its recognition of the importance of maintaining and improving the reliability of its facilities and the importance of ongoing facility maintenance and is determined to continue steady efforts to enhance and reinforce its facilities.

At the same time, reducing carbon to combat global warming and overcoming increasingly tight supply and demand conditions in energy resources in the wake of robust economic development in emerging countries like China and India continue to be issues in need of solution. As measures to promote the transition to a low-carbon society, J-POWER will continue to promote renewable energy and technologies to increase efficiency in coal-fired thermal power generation. To secure and improve the stable procurement of coal essential for the operation of coal-fired power plants, we will increase our acquisitions in upstream interests in coal and we will also take advantage of the merits of scale of our coal procurement business to increase J-POWER’s supply of coal to other large users.

Details of some of the initiatives we intend to pursue are explained below.

Securing Stable Electric Power Supply Following the Great East Japan Earthquake

The Great East Japan Earthquake caused destruction on a grand scale to the electricity infrastructure in eastern Japan. In addition to maintaining the stable operation of the current 7.0 GW capacity of the Tokyo Electric Power Company and Tohoku Electric Power Company grids combined, J-POWER will expend every possible means as an electricity supplier to utilize and maintain available facilities including the transmission of electric power to eastern Japan from western Japan via the Sakuma Frequency Converter Station and from Hokkaido via the Kitahon HVDC Link to support the supply and demand of electricity under the present challenging conditions.

The J-POWER Group is committed to supplying not only eastern Japan but all areas of Japan with electricity through its hydroelectric power facilities with a total capacity of about 8.6

GW, coal-fired thermal generation facilities with a total capacity of about 8.4 GW, and wind power facilities with a total capacity of about 350 MW. J-POWER will also continue to support the stable supply of electricity through its nationwide network of transmission lines of about 2,400 kilometers connecting Hokkaido, Kyushu and Shikoku with Honshu.

Maintaining and Improving Facility Dependability

To maintain and improve reliability in the stable supply of electricity, J-POWER is committed to strengthening risk management against disasters. We will further strengthen facility maintenance by giving priority to investment in management resources for measures required to avert risk after carefully confirming the maintenance framework for all facilities and conducting routine checks.

From a medium- to long-term perspective, we believe that it is necessary to improve facility efficiency as well as facility dependability and we will adopt appropriate measures to achieve these including comprehensive facility upgrading and replacement.

Initiatives in Plans for Ohma Nuclear Power Plant

The Ohma Nuclear Power Plant (capacity of 1,383 MW) under construction in Ohma-machi, Shimokita-gun, Aomori Prefecture is a nuclear power plant that uses uranium and plutonium mixed oxide fuel (MOX). Construction of the plant commenced in May 2008.

At J-POWER we are deeply aware that the gravity of the situation at the Fukushima Nuclear Power Plant casts a shadow over people's trust in the efforts being made to ensure the safety of nuclear power and we take the public's concerns very seriously. To further reinforce safety at the Ohma Nuclear Power Plant we will carry out in our operations and procedures every necessary safety precaution including measures based on government policy. We are determined to create a safe power plant that will have the understanding and support of the people of the area and the trust of society at large.

Improving the Efficiency of Coal Firing

Against a backdrop of tight supply and demand conditions in energy resources, we believe that coal will continue to play a vital role as a source of energy superior in cost competitiveness and stability of supply. For this reason, we believe that it is essential to continue efforts to make the use of coal cleaner and more efficient. As one initiative toward achieving this, J-POWER will upgrade* Unit No. 1 and Unit No. 2 at Takehara Thermal Power Plant where we will introduce the latest innovative technology to reduce the impact of coal on the environment.

With our sights set on leading the world in high-efficiency, low-carbon technologies, we are continuing our efforts in the development of oxygen-blown coal gasification technologies (IGCC and IGFC) at the J-POWER Wakamatsu Research Institute in Kitakyushu, Fukuoka Prefecture. We also have plans to conduct a large-scale oxygen-blown integrated coal gasification combined cycle (IGCC) demonstration test jointly with Chugoku Electric Power Company in Osakikamijima-cho, Hiroshima Prefecture.

We will apply the latest, most advanced technologies, including ultra-supercritical (USC) technology already introduced at the Isogo Thermal Power Plant, in our operations and projects in Asia and the rest of the world. In this way, we will contribute to the realization of a low-carbon

society and the transfer of high-efficiency technology globally.

* Plans to upgrade the existing Unit1 (250MW) and Unit 2 (350MW) by replacing both with a single new Unit 1 (600MkW).

Promotion of Renewable Energy

We at J-POWER believe that recyclable energy will play a vital role in the realization of a low-carbon society. With this understanding, our medium-term plan is to increase our facility output of wind power generation in Japan. To do this we will strengthen the base of our operational promotion framework by integrating a number of our subsidiaries and making our operating and maintenance framework more efficient and we will promote initiatives to develop new sites. In addition to these efforts, we will take ambitious steps to promote the use of biomass fuel at our coal-fired thermal plants. To advance the use of renewable energy, we will also pursue a range of approaches including the development of the fuel conversion business utilizing sewage sludge and waste wood as a means of ensuring the stable procurement of biomass fuel, and we will develop new facilities in addition to the existing Onikobe Geothermal Power Plant in Osaki City, Miyagi Prefecture.

Stable Procurement of Coal

Increasing stringency risk of fossil fuels such as LNG and coal and sudden rises in prices due to surges in demand for energy resources in China and India as well as unstable conditions in the Middle East have become chronic issues in the resource market recently. Mindful of the gravity of these issues, J-POWER has been taking more aggressive steps than in the past to diversify its procurement sources of coal including the acquisition of interests in coal mines. We have also broadened our business portfolio to include not only the procurement but also the sale and distribution of coal.

For the stable operation of our coal-fired thermal power plants, in the future we will continue our efforts at the stable procurement of coal at competitive prices by maintaining our own upstream interests. We will also supply coal to other companies and create synergies with overseas businesses.

Steady Development of Overseas Business

The current output (on an equity basis) of J-POWER's overseas business, which is centered on projects in Asia, is 3.7 million kW (as of March 31, 2011). We intend to strengthen our earning power by first executing with certainty those projects to which we are already committed. These include two IPP projects and seven SPP projects* currently underway in Thailand.

Capitalizing on knowledge and expertise we have acquired and developed in various areas in Japan over the years, we are promoting overseas projects while developing synergies with businesses in Japan. In the future we will also spearhead and manage the development of high-efficiency coal-fired thermal electric power plants in Asian countries through comprehensive package-type projects where J-POWER will oversee every aspect of the development of coal-fired thermal power plants from construction to operation and maintenance. In this way, we intend to secure new development projects that capitalize on the

strengths of the J-Power Group in its knowledge and expertise in coal-fired thermal electric power generation technology and, in so doing, contribute to strengthening the electric supply capacity and promoting the realization of a low-carbon society in those countries.

* SPP (Small Power Producers) Projects are projects that come under the long-term electric power purchase program initiated by the government of Thailand. This program is aimed at promoting the supply of thermal electric power using both fossil fuels and renewable energy as a means of reducing oil imports and consumption. The Electricity Generating Authority of Thailand guarantees that it will purchase up to 90 MW from energy suppliers eligible for the scheme.

2) Financial Strategy

To continue the sustainable, stable supply of electricity into the future, J-POWER must undertake appropriate facility formation and in order to do this, we believe that it is necessary not only to secure stable fund-raising ability but also to strengthen our corporate resilience.

To achieve these goals, the J-POWER Group reinforce its investment efficiency by screening new investment projects more stringently and will continue to make pre-emptive efforts at cost improvement and ongoing improvement in shareholder's equity.

Nevertheless, in terms of our management goals stated in last year's management plan, it is still extremely difficult to ascertain the extent of the impact of the Great East Japan Earthquake on the country's economy and on energy supply and demand. Consequently, we do not believe that at this stage we can quantitatively state the extent to which we will achieve these goals.

3) Strengthening Fundamental Corporate Structure

At J-POWER we have made efforts to strengthen our auditing and supervisory functions by establishing a corporate governance system based on a dual axis consisting of a Board of Directors, which includes one outside director, and a Board of Auditors, which includes two outside corporate auditors (as of March 31, 2011). In compliance with reforms of the Securities' Listing Regulations of the Tokyo Stock Exchange, we have appointed outside directors and auditors as independent officers who have a high degree of independence and no potential conflicts of interest with general shareholders. Furthermore, to promote ongoing improvement in corporate governance in response to changes in the business environment and to earn and maintain the trust of society, we intend to make every effort as a corporate group to ensure that an awareness of compliance is firmly established in the corporate culture throughout the J-POWER Group and in the mind of each and every employee.

We will also continue to implement measures to ensure that every employee is able to perform at J-POWER as a professional person in the Company, irrespective of that employee's age or position.

Through these measures we will endeavor to strengthen our base as a sound corporate entity.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: million yen)

	As of Mar. 31, 2010	As of Mar. 31, 2011
Assets		
Noncurrent assets	1,879,804	1,842,658
Electric utility plant and equipment	1,226,640	1,178,492
Hydroelectric power production facilities	403,329	389,892
Thermal power production facilities	482,045	454,823
Internal combustion engine power production facilities	11,764	4,694
Renewable power production facilities	24,334	38,436
Transmission facilities	207,948	197,163
Transformation facilities	35,089	34,456
Communication facilities	9,339	9,539
General facilities	52,789	49,486
Other noncurrent assets	49,619	64,920
Construction in progress	309,740	301,676
Construction and retirement in progress	309,740	301,676
Nuclear fuel	38,688	46,693
Nuclear fuel in processing	38,688	46,693
Investments and other assets	255,115	250,875
Long-term investments	195,414	181,934
Deferred tax assets	57,207	56,843
Other	2,964	13,292
Allowance for doubtful accounts	(471)	(1,196)
Current assets	144,276	169,727
Cash and deposits	38,749	37,202
Notes and accounts receivable-trade	47,003	57,781
Short-term investments	2,253	2,346
Inventories	25,717	32,400
Deferred tax assets	5,560	5,998
Other	24,995	34,006
Allowance for doubtful accounts	(2)	(9)
Total assets	2,024,080	2,012,386

(Unit: million yen)

	As of Mar. 31, 2010	As of Mar. 31, 2011
Liabilities		
Noncurrent liabilities	1,346,526	1,319,146
Bonds payable	689,883	734,898
Long-term loans payable	580,925	500,913
Lease obligations	811	1,093
Provision for retirement benefits	57,855	57,069
Other provision	1,111	16
Asset retirement obligations	-	3,620
Deferred tax liabilities	3,459	5,869
Other	12,479	15,666
Current liabilities	261,837	277,563
Current portion of noncurrent liabilities	142,923	162,958
Short-term loans payable	13,327	17,528
Commercial papers	24,998	11,999
Notes and accounts payable-trade	14,804	20,112
Accrued taxes	7,952	21,322
Other provision	855	317
Asset retirement obligations	-	473
Deferred tax liabilities	5	11
Other	56,970	42,839
Reserves under the special laws	734	777
Reserve for fluctuation in water levels	734	777
Total liabilities	1,609,099	1,597,487
Net assets		
Shareholders' equity	426,680	435,760
Capital stock	152,449	152,449
Capital surplus	81,849	81,849
Retained earnings	255,643	264,724
Treasury stock	(63,262)	(63,263)
Accumulated other comprehensive income	(14,003)	(19,997)
Valuation difference on available-for-sale securities	2,960	(137)
Deferred gains or losses on hedges	(3,747)	611
Foreign currency translation adjustment	(13,217)	(20,471)
Minority interests	2,304	(863)
Total net assets	414,981	414,898
Total liabilities and net assets	2,024,080	2,012,386

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated statements of income

(Unit: million yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Operating revenue	584,484	635,975
Electric utility operating revenue	530,289	584,436
Other business operating revenue	54,194	51,539
Operating expenses	535,544	565,387
Electric utility operating expenses	478,644	509,116
Other business operating expenses	56,899	56,271
Operating income	48,939	70,588
Non-operating income	18,734	14,965
Dividends income	1,406	1,499
Interest income	581	1,220
Equity in earnings of affiliates	11,722	9,072
Other	5,024	3,172
Non-operating expenses	25,979	29,231
Interest expenses	23,085	22,371
Other	2,894	6,860
Total ordinary revenue	603,218	650,941
Total ordinary expenses	561,524	594,619
Ordinary income	41,694	56,322
Provision or reversal of reserve for fluctuation in water levels	(411)	42
Provision of reserve for fluctuation in water levels	-	42
Reversal of reserve for fluctuation in water levels	(411)	-
Extraordinary income	-	1,635
Gain on sales of securities	-	1,635
Extraordinary loss	-	19,176
Loss on valuation of securities	-	5,359
Loss on liquidation of business	-	4,550
Impairment loss	-	9,266
Income before income taxes and minority interests	42,105	38,739
Income taxes-current	11,270	20,403
Income taxes-deferred	1,883	2,459
Total income taxes	13,153	22,863
Income before minority interests	-	15,876
Minority interests in loss	(197)	(3,707)
Net income	29,149	19,583

Consolidated statements of comprehensive income

(Unit: million yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Income before minority interests	-	15,876
Other comprehensive income		
Valuation difference on available-for-sale securities	-	(3,098)
Deferred gains or losses on hedges	-	2,507
Foreign currency translation adjustment	-	(5,118)
Share of other comprehensive income of associates accounted for using equity method	-	(210)
Total other comprehensive income	-	(5,920)
Comprehensive income	-	9,955
(Comprehensive income attributable to-abstract)		
Comprehensive income attributable to owners of the parent	-	13,590
Comprehensive income attributable to minority interests	-	(3,634)

(3) Consolidated Statements of Changes in Net Assets

(Unit: million yen)

	Year ended March 31, 2010	Year ended March 31, 2011
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	236,998	255,643
Changes of items during the period		
Dividends from surplus	(10,503)	(10,503)
Net income	29,149	19,583
Total changes of items during the period	18,645	9,080
Balance at the end of current period	255,643	264,724
Treasury stock		
Balance at the end of previous period	(63,260)	(63,262)
Changes of items during the period		
Purchase of treasury stock	(1)	(0)
Total changes of items during the period	(1)	(0)
Balance at the end of current period	(63,262)	(63,263)
Total shareholders' equity		
Balance at the end of previous period	408,036	426,680
Changes of items during the period		
Dividends from surplus	(10,503)	(10,503)
Net income	29,149	19,583
Purchase of treasury stock	(1)	(0)
Total changes of items during the period	18,643	9,079
Balance at the end of current period	426,680	435,760

(Unit: million yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(404)	2,960
Changes of items during the period		
Net changes of items other than shareholders' equity	3,365	(3,098)
Total changes of items during the period	3,365	(3,098)
Balance at the end of current period	2,960	(137)
Deferred gains or losses on hedges		
Balance at the end of previous period	(6,285)	(3,747)
Changes of items during the period		
Net changes of items other than shareholders' equity	2,538	4,358
Total changes of items during the period	2,538	4,358
Balance at the end of current period	(3,747)	611
Foreign currency translation adjustment		
Balance at the end of previous period	(21,217)	(13,217)
Changes of items during the period		
Net changes of items other than shareholders' equity	8,000	(7,254)
Total changes of items during the period	8,000	(7,254)
Balance at the end of current period	(13,217)	(20,471)
Total accumulated other comprehensive income		
Balance at the end of previous period	(27,908)	(14,003)
Changes of items during the period		
Net changes of items other than shareholders' equity	13,904	(5,993)
Total changes of items during the period	13,904	(5,993)
Balance at the end of current period	(14,003)	(19,997)
Minority interests		
Balance at the end of previous period	1,984	2,304
Changes of items during the period		
Net changes of items other than shareholders' equity	320	(3,168)
Total changes of items during the period	320	(3,168)
Balance at the end of current period	2,304	(863)
Total net assets		
Balance at the end of previous period	382,112	414,981
Changes of items during the period		
Dividends from surplus	(10,503)	(10,503)
Net income	29,149	19,583
Purchase of treasury stock	(1)	(0)
Net changes of items other than shareholders' equity	14,225	(9,162)
Total changes of items during the period	32,869	(83)
Balance at the end of current period	414,981	414,898

(4) Consolidated Statements of Cash Flows

(Unit: million yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	42,105	38,739
Depreciation and amortization	120,313	111,644
Impairment loss	384	9,266
Loss on liquidation of business	-	4,550
Loss on retirement of noncurrent assets	2,516	2,941
Increase (decrease) in provision for retirement benefits	5,923	(779)
Increase (decrease) in reserve for fluctuation in water levels	(411)	42
Interest and dividends income	(1,987)	(2,720)
Interest expenses	23,085	22,371
Decrease (increase) in notes and accounts receivable-trade	6,311	(10,753)
Decrease (increase) in inventories	17,645	(6,132)
Increase (decrease) in notes and accounts payable-trade	7,034	3,171
Loss (gain) on sales of securities	(231)	(1,450)
Loss (gain) on valuation of securities	-	5,359
Equity in (earnings) losses of affiliates	(11,722)	(9,072)
Loss (gain) on sales of noncurrent assets	(590)	432
Other, net	(10,205)	8,355
Subtotal	200,170	175,965
Interest and dividends income received	5,845	7,644
Interest expenses paid	(22,987)	(22,881)
Income taxes paid	(13,880)	(9,492)
Net cash provided by (used in) operating activities	169,148	151,236
Net cash provided by (used in) investing activities		
Purchase of noncurrent assets	(114,967)	(115,827)
Proceeds from contribution received for construction	9,962	7,068
Proceeds from sales of noncurrent assets	1,860	2,453
Payments of investment and loans receivable	(23,456)	(14,184)
Collection of investment and loans receivable	3,896	5,235
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(495)	-
Other, net	(6,305)	(9,419)
Net cash provided by (used in) investing activities	(129,504)	(124,675)

(Unit: million yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Net cash provided by (used in) financing activities		
Proceeds from issuance of bonds	59,792	79,726
Redemption of bonds	-	(88,000)
Proceeds from long-term loans payable	122,794	49,036
Repayment of long-term loans payable	(121,555)	(53,988)
Increase in short-term loans payable	42,500	84,880
Decrease in short-term loans payable	(38,294)	(80,680)
Proceeds from issuance of commercial papers	475,905	392,965
Redemption of commercial papers	(561,000)	(406,000)
Cash dividends paid	(10,503)	(10,503)
Cash dividends paid to minority shareholders	(2)	(8)
Other, net	11	3,398
Net cash provided by (used in) financing activities	(30,351)	(29,172)
Effect of exchange rate change on cash and cash equivalents	1,506	285
Net increase (decrease) in cash and cash equivalents	10,798	(2,326)
Cash and cash equivalents at beginning of period	29,530	40,329
Cash and cash equivalents at end of period	40,329	38,002

(5) Notes on Premise of Going Concern

There are no applicable items.

(6) Significant Issues for the Preparation of Consolidated Financial Statements

Since there have been no material changes in the recent securities report (submitted on June 23, 2010), disclosure has been omitted here.

(7) Changes in Significant Issues for the Preparation of Consolidated Financial Statements

(Application of Accounting Standard for Asset Retirement Obligations)

With effect from the first quarter of the fiscal year ending March 31, 2011, the Company has applied "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (Guidance No. 21, March 31, 2008).

Application of this accounting standard resulted in a decrease of 143 million yen in operating income, and respective decreases of 917 million yen in ordinary income and net income before tax.

(Application of Accounting Standard for Business Combinations)

With effect from the first quarter of the fiscal year ending March 31, 2011, the Company has applied "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008), "Accounting Standard for Consolidated Financial Reporting" (ASBJ Statement No. 22, December 26, 2008), "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23, December 26, 2008), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, December 26, 2008), "Revised Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, revised December 26, 2008), and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008).

(Application of Accounting Standard for Equity Method of Accounting for Investments)

With effect from the first quarter of the fiscal year ending March 31, 2011, the Company has applied "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, March 10, 2008) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (PITF No. 24, March 10, 2008).

This change had no impact on profit or loss.

(8) Reclassification

(Consolidated balance sheets)

In line with the Company's adoption of "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18 of March 31, 2008) and "Guidance on Accounting Standards for Asset Retirement Obligations" (ASBJ Guidance No. 21 of March 31, 2008) as of the current consolidated fiscal year, provisions for coal mine restoration stated by subsidiaries will be posted as "asset retirement obligations."

In the previous consolidated fiscal year such provisions were included in the amount of 1,076 million yen in "Other" under "Provisions" within noncurrent liabilities and the amount of 422 million yen in "Other" under "Provisions" within current liabilities.

(Consolidated statements of income)

As of the current consolidated fiscal year the Company has adopted the Cabinet Office Ordinance on Partial Revision of Financial Statement (Cabinet Office Ordinance No. 5 of March 24, 2009) in accordance with the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 of December 26, 2008) and has presented it in the item "Income before minority interests."

(Consolidated statements of cash flows)

The significance of "Unrealized gain on valuation of securities" included in "Others" within "Cash flows from operating activities" (54 million yen) in the previous consolidated fiscal year has increased so in the current consolidated fiscal year this has been included as a category.

(Consolidated statements of cash flows)

The significance of "Proceeds from sale of subsidiary shares with a change in the scope of consolidation" included within "Cash flows from investing activities" (0 million yen in the current consolidated fiscal year) has diminished so in the current consolidated fiscal year this has been included in "Others" within "Cash flows from investing activities."

(9) Additional Information

Effective from the current consolidated fiscal year, the Company has adopted the "Accounting Standard for the Presentation of Comprehensive Income" (ASBJ Statement No. 25 of June 30, 2010). However, the amounts for "Other comprehensive income" and "Accumulated other comprehensive income" for the preceding consolidated fiscal year are the amounts stated in "Valuation and translation adjustments" and "Total valuation and translation adjustments".

(10) Notes to Consolidated Financial Statements

(Consolidated statements of comprehensive income)

Comprehensive income of the year ended March 31, 2010.

	(Unit: million yen)
Comprehensive income attributable to owners of the parent	43,054
Comprehensive income attributable to minority interests	(190)
Total	42,863

Other comprehensive income of the year ended March 31, 2010.

	(Unit: million yen)
Valuation difference on available-for-sale securities	3,365
Deferred hedge gains or losses on hedges	217
Foreign currency translation adjustments	6,402
Share of other comprehensive income of associates accounted for using equity method	3,925
Total	13,911

(Segment Information)

Segment Information

○ Year ended March 31, 2010 (from April 1, 2009 to March 31, 2010)

1. Overview of reporting segments

J-POWER's reporting segments provide available financial information on individual business areas. As meaningful information regarding the J-POWER's business performance, it is periodically examined by the Board of Directors in order to make decisions on the allocation of management resources and assess performance.

The J-POWER Group is comprised of J-POWER, 84 subsidiaries and 91 affiliates (as of March 31, 2010) and our core business is the wholesale electric power business where we supply electricity to Japan's 10 electric power companies (EPCOs) through hydroelectric and thermal power plants which we own. Through our power transmission and transforming facilities we also provide transmission services to nine EPCOs (excluding Okinawa Electric Power Company).

We report on four segments in our business activities: "Electric Power Business" which consists of wholesale electric power business, wind power plants, the wholesale supply of electricity to EPCOs by IPPs, and the wholesale supply of electricity to PPSs (Power Producers and Suppliers); "Electric Power-Related Businesses" that complement and contribute to the smooth and efficient implementation of our electric power business; "Overseas Power Generation Business" that engages in electric power plant projects overseas and businesses related to this; and "Other Businesses" which include various business activities including the sale of coal that fully utilize the Group's management resources and know-how.

2. Method of calculating amount of sales, income, assets and other items in reporting segments

The method of accounting for reporting segments is the same as stated in “Significant Issues for the Preparation of Consolidated Financial Statements.” The income of reporting segments are calculated on the basis of ordinary income. Intersegment internal revenues and transferred amounts are based on current market prices.

3. Information concerning amounts in sales, income or loss, assets and others for each reporting segment

(Unit: million yen)

	Electric power	Electric power -related	Overseas power generation	Other businesses	Subtotal	Elimination	Consolidated
Sales to customers	530,289	24,095	1,576	28,522	584,484	-	584,484
Intersegment sales	3,149	264,928	-	2,796	270,875	(270,875)	-
Total sales	533,439	289,023	1,576	31,319	855,359	(270,875)	584,484
Ordinary income	22,320	11,521	6,511	1,614	41,968	(273)	41,694
Assets	1,825,621	159,640	127,155	17,587	2,130,005	(105,924)	2,024,080
Depreciation	119,241	2,839	48	1,349	123,479	(3,166)	120,313
Amortization of goodwill	162	73	33	-	269	-	269
Interest income	1,215	125	290	31	1,662	(1,081)	581
Interest Expenses	23,203	416	427	117	24,166	(1,081)	23,085
Equity income of affiliates	322	-	11,399	-	11,722	-	11,722
Investment in affiliates	5,596	-	90,541	-	96,138	-	96,138
Increase in the tangible and intangible fixed assets	106,737	2,507	5,727	344	115,317	(3,084)	112,233

Notes:

1. The breakdown of elimination is as follows.

(1) The elimination amount of -273 million yen in segment income includes elimination of transaction amounts between segments of -252 million and other adjustment amounts of -20 million yen.

(2) The elimination amount of -105,924 million yen includes elimination of -101,385 million yen for account receivable offsets and an adjustment amount of -4,539 million yen for others.

2. Segment income is adjusted with ordinary income within consolidated financial statements.

○Year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

1. Overview of reporting segments

J-POWER's reporting segments provide available financial information on individual business areas. As meaningful information regarding the J-POWER's business performance, it is periodically examined by the Board of Directors in order to make decisions on the allocation of management resources and assess performance.

The J-POWER Group is comprised of J-POWER, 80 subsidiaries and 94 affiliates (as of March 31, 2011) and our core business is the wholesale electric power business where we supply electricity to Japan's 10 electric power companies (EPCOs) through hydroelectric and thermal power plants which we own. Through our power transmission and transforming facilities we also provide transmission services to nine EPCOs (excluding Okinawa Electric Power Company).

We report on four segments in our business activities: "Electric Power Business" which consists of wholesale electric power business, wind power plants, the wholesale supply of electricity to EPCOs by IPPs, and the wholesale supply of electricity to PPSs (Power Producers and Suppliers); "Electric Power-Related Businesses" that complement and contribute to the smooth and efficient implementation of our electric power business; "Overseas Power Generation Business" that engages in electric power plant projects overseas and businesses related to this; and "Other Businesses" which include various business activities including the sale of coal that fully utilize the Group's management resources and know-how.

2. Method of calculating amount of sales, income, assets and other items in reporting segments

The method of accounting for reporting segments is the same as stated in "Significant Issues for the Preparation of Consolidated Financial Statements." The income of reporting segments are calculated on the basis of ordinary income. Intersegment internal revenues and transferred amounts are based on current market prices.

3. Information concerning amounts in sales, income or loss, assets and others for each reporting segment

(Unit: million yen)

	Electric power	Electric power -related	Overseas power generation	Other businesses	Subtotal	Elimination	Consolidated
Sales to customers	584,436	26,294	1,881	23,363	635,975	-	635,975
Intersegment sales	3,156	308,369	-	2,783	314,309	(314,309)	-
Total sales	587,592	334,664	1,881	26,146	950,285	(314,309)	635,975
Ordinary income	41,832	10,425	5,047	(1,517)	55,788	533	56,322
Assets	1,785,592	161,923	155,468	11,184	2,114,168	(101,782)	2,012,386
Depreciation	110,179	3,362	115	1,231	114,888	(3,244)	111,644
Amortization of goodwill	49	-	0	-	50	-	50
Interest income	1,226	108	974	26	2,336	(1,115)	1,220
Interest Expenses	22,621	151	617	97	23,487	(1,115)	22,371
Equity income of affiliates	(299)	-	9,371	-	9,072	-	9,072
Investment in affiliates	5,682	-	98,720	-	104,402	-	104,402
Increase in the tangible and intangible fixed assets	70,742	5,236	18,091	643	94,713	(1,584)	93,128

Notes:

1. The breakdown of elimination is as follows.
 - (1) The segment income elimination of 533 million yen includes elimination of 277 million yen in intersegment sales and 255 million yen for other transactions.
 - (2) The segment assets elimination of -101,782 million yen includes elimination of -103,098 million yen for the offsetting of receivables and 1,315 million yen for other adjustments.
2. Segment income is adjusted with ordinary income within consolidated financial statements.

Additional Information

As of the current consolidated fiscal year, J-POWER has adopted the Accounting Standard for Disclosures about Segments and Related Information (ASBJ Statement No. 17 of March 27, 2009) and Implementation Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Implementation Guidance No. 20 of March 21, 2008).

Related Information

○Year ended March 31, 2010 (from April 1, 2009 to March 31, 2010)

1. Regional information
 - (1) Operating revenue

Since sales to external customers in Japan during the current consolidated year account for more than 90% of operating revenue in the consolidated statements of income, geographic segment information is not presented.

(2) Tangible noncurrent assets

Since tangible noncurrent assets located in Japan during the current consolidated fiscal year account for more than 90% of tangible noncurrent assets in the consolidated balance sheet, geographic segment information is not presented.

2. Information regarding main customers

(Unit: million yen)

Name of Customer	Sales Volume	Related Segment
The Tokyo Electric Power Company, Incorporated	123,070	Electric power business
The Chugoku Electric Power Company, Incorporated	101,406	Electric power business
The Kansai Electric Power Company, Incorporated	85,454	Electric power business
Kyushu Electric Power Company, Incorporated	53,019	Electric power business

○Year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

1. Sales by region

(1) Sales

Since sales to external customers in Japan during the current consolidated year account for more than 90% of operating revenue in the consolidated statements of income, geographic segment information is not presented.

(2) Tangible noncurrent assets

Since tangible noncurrent assets located in Japan during the current consolidated fiscal year account for more than 90% of tangible noncurrent assets in the consolidated balance sheet, geographic segment information is not presented.

2. Information regarding principle customers

(Unit: million yen)

Name of Customer	Sales Volume	Related Segment
The Chugoku Electric Power Company, Incorporated	127,776	Electric power business
The Tokyo Electric Power Company, Incorporated	127,102	Electric power business
The Kansai Electric Power Company, Incorporated	107,598	Electric power business
Kyushu Electric Power Company, Incorporated	58,630	Electric power business

Impairment losses on noncurrent assets in reporting segments

○ Year ended March 31, 2010 (from April 1, 2009 to March 31, 2010)

(Unit: million yen)

	Electric power	Electric power -related	Overseas power generation	Other businesses	total
Loss on impairment of noncurrent assets	49	15	-	320	384

○ Year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

(Unit: million yen)

	Electric power	Electric power -related	Overseas power generation	Other businesses	total
Loss on impairment of noncurrent assets	6,872	24	-	2,369	9,266

Unamortized goodwill in reporting segments

○ Year ended March 31, 2010 (from April 1, 2009 to March 31, 2010)

(Unit: million yen)

	Electric power	Electric power -related	Overseas power generation	Other businesses	total
Balance at the end of the period	22	-	-	-	22

○ Year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

(Unit: million yen)

	Electric power	Electric power -related	Overseas power generation	Other businesses	total
Balance at the end of the period	43	-	-	-	43

(Per Share Information)

Year ended March 31, 2010 (from April 1, 2009 to March 31, 2010)		Year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)	
	yen		yen
Net assets per share	2,750.20	Net assets per share	2,770.77
Net income per share	194.26	Net income per share	130.51

Notes:

1. Since there were no potential shares such as bonds with subscription right to shares, diluted net income per shares is not indicated.
2. The basis of calculation of net assets per share is shown below.

	Year ended March 31, 2010 (as of March 31, 2010)	Year ended March 31, 2011 (as of March 31, 2011)
Total net assets	414,981 million yen	414,898 million yen
Elimination from total net assets (minority interests included in the above)	2,304 million yen (2,304 million yen)	-863 million yen (-863 million yen)
Year-end net assets related to common stock	412,677 million yen	415,762 million yen
No. of common stock used in the calculation of net assets per share	150,053 thousand	150,053 thousand

3. The basis of calculation of net income per share is shown below.

	Year ended March 31, 2010 (from April 1, 2009 to March 31, 2010)	Year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)
Net income	29,149 million yen	19,583 million yen
Amount not attributable to ordinary shareholders	-	-
Net income attributable to shareholders of common stock	29,149 million yen	19,583 million yen
Average number of common stock outstanding during the year	150,053 thousand	150,053 thousand

(Significant subsequent event)

There was no significant subsequent event for the year ended March 31, 2011.

(Other Explanatory Notes)

Impairment loss

During the current consolidated fiscal year, noncurrent assets held by the Company for which full return on investment could not be expected due to a decline in profitability were depreciated to their recoverable value, resulting in the posting of a reduction in value of 9,266 million yen as an impairment loss within extraordinary losses.

(Unit: million yen)

Asset	Location	Type	Impairment Loss
Ichiara Power Co., Ltd. Internal combustion power plant facility	Ichiara City, Chiba	Building and structure	775
		Machinery and equipment	5,749
		Other	347

Business Liquidation Loss

Gulf JP UT Co., Ltd., a subsidiary of the Company, was engaged in an IPP project in the Samet Tai sub-district in Thailand. However, at a Cabinet meeting held on July 20, 2010, the Thai Government decided on a guideline which included changing the location planned for construction of the power plant as a solution to resolve the problem of location. Due to this decision, the Company decided not to proceed with its development project in Samet Tai and posted loss on liquidation of business of 4,550 million yen in relation to the project.

The main loss relating to the project is the posting of an anticipated irrecoverable amount of 4,007 million yen in loan receivables.

5. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Unit: million yen)

	As of Mar. 31, 2010	As of Mar. 31, 2011
Assets		
Noncurrent assets	1,808,678	1,768,302
Electric utility plant and equipment	1,215,919	1,159,857
Hydroelectric power production facilities	413,221	399,744
Thermal power production facilities	489,556	462,070
Renewable power production facilities	2,084	1,765
Transmission facilities	211,312	200,373
Transformation facilities	36,360	35,721
Communication facilities	10,121	10,274
General facilities	53,261	49,907
Incidental business facilities	2,070	2,297
Non-operating facilities	248	335
Construction in progress	287,204	295,682
Construction in progress	286,540	295,449
Retirement in progress	664	233
Nuclear fuel	38,688	46,693
Nuclear fuel in processing	38,688	46,693
Investments and other assets	264,546	263,435
Long-term investments	72,083	62,572
Long-term investment for subsidiaries and affiliates	152,399	164,876
Long-term prepaid expenses	1,824	2,480
Deferred tax assets	39,079	38,992
Allowance for doubtful accounts	(840)	(5,485)
Current assets	93,826	116,528
Cash and deposits	5,151	4,362
Accounts receivable-trade	39,848	49,264
Other accounts receivable	4,870	4,845
Supplies	19,087	28,529
Prepaid expenses	1,219	1,672
Short-term receivables from subsidiaries and affiliates	9,516	11,637
Deferred tax assets	2,993	3,732
Other current assets	11,138	12,604
Allowance for doubtful accounts	-	(121)
Total assets	1,902,504	1,884,830

(Unit: million yen)

	As of Mar. 31, 2010	As of Mar. 31, 2011
Liabilities		
Noncurrent liabilities	1,302,695	1,257,747
Bonds payable	689,883	734,898
Long-term loans payable	550,955	461,256
Long-term accrued liabilities	1	0
Lease obligations	218	314
Long-term debt to subsidiaries and affiliates	4,887	5,709
Provision for retirement benefits	46,351	45,259
Asset retirement obligations	-	158
Other noncurrent liabilities	10,396	10,149
Current liabilities	252,974	277,226
Current portion of noncurrent liabilities	136,703	159,747
Short-term loans payable	12,750	17,350
Commercial papers	24,998	11,999
Accounts payable-trade	4,452	5,055
Accounts payable-other	9,892	2,970
Accrued expenses	10,407	9,760
Accrued taxes	3,790	18,821
Deposits received	278	282
Short-term debt to subsidiaries and affiliates	47,298	47,634
Other advances	583	1,034
Other current liabilities	1,818	2,569
Reserves under the special laws	734	777
Reserve for fluctuation in water levels	734	777
Total liabilities	1,556,404	1,535,751
Net assets		
Shareholders' equity	343,879	348,159
Capital stock	152,449	152,449
Capital surplus	81,852	81,852
Legal capital surplus	81,852	81,852
Retained earnings	172,839	177,121
Legal retained earnings	6,029	6,029
Other retained earnings	166,810	171,092
Reserve for special disaster	53	57
Exchange-fluctuation preparation reserve	1,960	1,960
General reserve	137,861	142,861
Retained earnings brought forward	26,935	26,213
Treasury stock	(63,262)	(63,263)
Valuation and translation adjustments	2,220	919
Valuation difference on available-for-sale securities	2,634	(479)
Deferred gains or losses on hedges	(414)	1,399
Total net assets	346,099	349,079
Total liabilities and net assets	1,902,504	1,884,830

(2) Non-consolidated Statements of Income

(Unit: million yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Operating revenue	530,436	583,213
Electric utility operating revenue	518,682	573,878
Sold power to other suppliers	458,688	514,640
Transmission revenue	54,402	54,343
Other electricity revenue	5,591	4,894
Incidental business operating revenue	11,753	9,335
Operating revenue-consulting business	2,136	2,200
Operating revenue-coal sale business	7,905	6,094
Operating revenue-other businesses	1,711	1,040
Operating expenses	489,531	520,569
Electric utility operating expenses	479,085	513,395
Hydroelectric power production expenses	60,904	60,005
Thermal power production expenses	319,569	358,156
Renewable power production expenses	802	976
Purchased power from other suppliers	15	1,388
Transmission expenses	27,523	26,943
Transformation expenses	6,785	6,453
Selling expenses	1,225	1,223
Communicating expenses	6,275	6,480
General and administrative expenses	49,349	44,466
Enterprise tax	6,634	7,300
Incidental business operating expenses	10,446	7,174
Operating expenses-consulting business	1,546	1,607
Operating expenses-coal sale business	7,424	4,677
Operating expenses-other businesses	1,475	889
Operating income	40,904	62,644

(Unit: million yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Non-operating income	6,463	6,348
Financial revenue	3,547	4,649
Dividends income	2,346	3,403
Interest income	1,200	1,246
Non-operating revenue	2,916	1,699
Gain on sales of noncurrent assets	600	82
Miscellaneous revenue	2,316	1,616
Non-operating expenses	23,576	25,800
Financial expenses	22,175	21,627
Interest expenses	21,967	21,353
Bond issuance cost	207	273
Non-operating expenses	1,400	4,173
Loss on sales of noncurrent assets	-	625
Miscellaneous expenses	1,400	3,547
Total ordinary revenue	536,899	589,561
Total ordinary expenses	513,107	546,370
Ordinary income	23,791	43,191
Provision or reversal of reserve for fluctuation in water levels	(411)	42
Provision of reserve for fluctuation in water levels	-	42
Reversal of reserve for fluctuation in water levels	(411)	-
Extraordinary income	-	1,635
Gain on sales of securities	-	1,635
Extraordinary loss	-	13,757
Loss on valuation of securities	-	6,092
Provision of allowance for doubtful accounts for subsidiaries and affiliates	-	4,255
Loss on liquidation of business	-	3,408
Income before income taxes	24,203	31,027
Income taxes-current	6,660	16,395
Income taxes-deferred	1,170	(153)
Total income taxes	7,831	16,242
Net income	16,372	14,785

(3) Non-consolidated Statements of Changes in Net Assets

(Unit: million yen)

	Year ended March 31, 2010	Year ended March 31, 2011
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	50	53
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	53	57
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	137,861	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	142,861

(Unit: million yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Retained earnings brought forward		
Balance at the end of previous period	21,070	26,935
Changes of items during the period		
Dividends from surplus	(10,503)	(10,503)
Net income	16,372	14,785
Provision of reserve for special disaster	(3)	(3)
Provision of general reserve	-	(5,000)
Total changes of items during the period	5,865	(721)
Balance at the end of current period	26,935	26,213
Total retained earnings		
Balance at the end of previous period	166,971	172,839
Changes of items during the period		
Dividends from surplus	(10,503)	(10,503)
Net income	16,372	14,785
Provision of reserve for special disaster	-	-
Provision of general reserve	-	-
Total changes of items during the period	5,868	4,281
Balance at the end of current period	172,839	177,121
Treasury stock		
Balance at the end of previous period	(63,260)	(63,262)
Changes of items during the period		
Purchase of treasury stock	(1)	(0)
Total changes of items during the period	(1)	(0)
Balance at the end of current period	(63,262)	(63,263)
Total shareholders' equity		
Balance at the end of previous period	338,012	343,879
Changes of items during the period		
Dividends from surplus	(10,503)	(10,503)
Net income	16,372	14,785
Purchase of treasury stock	(1)	(0)
Total changes of items during the period	5,867	4,280
Balance at the end of current period	343,879	348,159

6. Appendixes

[Appendix 1]

Revenues and Expenses (Consolidated)

	Year ended	Year ended	(A) - (B)	(A)/(B)
	March 31, 2011 (A)	March 31, 2010 (B)	(A) - (B)	(A)/(B)
	million yen	million yen	million yen	%
Operating revenue	635,975	584,484	51,491	108.8
Electric utility operating revenue	584,436	530,289	54,146	110.2
Electric power sales	528,363	473,443	54,920	111.6
Wholesale power business	514,640	458,688	55,952	112.2
Hydroelectric	108,152	108,994	(842)	99.2
Thermal	406,488	349,693	56,794	116.2
Other electric power businesses	13,723	14,754	(1,031)	93.0
Transmission revenues	54,343	54,402	(59)	99.9
Other electricity revenues	1,729	2,444	(714)	70.8
Other business operating revenue	51,539	54,194	(2,655)	95.1
Operating expenses	565,387	535,544	29,842	105.6
Electric utility operating expenses	509,116	478,644	30,471	106.4
Personnel expense	31,354	36,264	(4,909)	86.5
Fuel cost	214,261	178,048	36,213	120.3
Repair expense	46,035	44,480	1,555	103.5
Consignment cost	31,491	32,058	(567)	98.2
Taxes and duties	27,259	26,507	752	102.8
Depreciation and amortization cost	106,929	116,095	(9,166)	92.1
Other	51,783	45,190	6,592	114.6
Other business operating expenses	56,271	56,899	(628)	98.9
Operating income	70,588	48,939	21,648	144.2
Non-operating revenue	14,965	18,734	(3,768)	79.9
Dividend income	1,499	1,406	93	106.7
Interest income	1,220	581	639	210.1
Equity income of affiliates	9,072	11,722	(2,649)	77.4
Other	3,172	5,024	(1,851)	63.1
Non-operating expenses	29,231	25,979	3,252	112.5
Interest expenses	22,371	23,085	(713)	96.9
Other	6,860	2,894	3,965	237.0
Total ordinary revenues	650,941	603,218	47,723	107.9
Total ordinary expenses	594,619	561,524	33,094	105.9
Ordinary income	56,322	41,694	14,628	135.1
(Provision for)reversal of reserve for fluctuation in water level	42	(411)	453	-
Extraordinary income	1,635	-	1,635	-
Extraordinary loss	19,176	-	19,176	-
Income before income taxes and minority interests	38,739	42,105	(3,366)	92.0
Income taxes—current	20,403	11,270	9,133	181.0
Income taxes – deferred	2,459	1,883	575	130.6
Income before minority interests	15,876	-	15,876	-
Minority interests in income(losses)	(3,707)	(197)	(3,510)	-
Net income	19,583	29,149	(9,565)	67.2

[Appendix 2]

(1) Generation capacity

(Unit: kW)

	Year ended March 31, 2011 (A)	Year ended March 31, 2010 (B)	(A) – (B)
Wholesale electric power business	16,992,500	16,987,500	5,000
Hydroelectric	8,565,500	8,560,500	5,000
Thermal	8,427,000	8,427,000	0
Other electric power businesses (*)	704,510	622,510	82,000
Total	17,697,010	17,610,010	87,000

(*) Other electric power businesses include power plants for IPPs and PPSs, and wind power.

(2) Electricity sales volume and revenues

(Unit: million kWh, million yen)

	Year ended March 31, 2011 (A)		Year ended March 31, 2010 (B)		(A) – (B)	
	Electricity sales volume	Revenues	Electricity sales volume	Revenues	Electricity sales volume	Revenues
Wholesale electric power business	64,353	514,640	55,760	458,688	8,593	55,952
Hydroelectric	10,267	108,152	9,214	108,994	1,053	(842)
Thermal	54,086	406,488	46,546	349,693	7,540	56,794
Other electric power businesses (*)	1,462	13,723	1,477	14,754	(15)	(1,031)
Subtotal	65,815	528,363	57,238	473,443	8,577	54,920
Transmission	-	54,343	-	54,402	-	(59)
Total	65,815	582,707	57,238	527,845	8,577	54,861

(*) Other electric power businesses include power plants for IPPs and PPSs, and wind power.

(3) Water supply rate

(Unit: %)

	Year ended March 31, 2011 (A)	Year ended March 31, 2010 (B)	(A) – (B)
Water supply rate	106	96	10

[Appendix 3]

Revenues and Expenses (Non-consolidated)

	Year ended	Year ended	(A) - (B)	(A)/(B)
	March 31, 2011 (A)	March 31, 2010 (B)	(A) - (B)	(A)/(B)
	million yen	million yen	million yen	%
Operating revenues	583,213	530,436	52,777	109.9
Electric utility operating revenues	573,878	518,682	55,195	110.6
Electric power sales	514,640	458,688	55,952	112.2
Hydroelectric	108,152	108,994	(842)	99.2
Thermal	406,488	349,693	56,794	116.2
Transmission revenue	54,343	54,402	(59)	99.9
Other electricity revenue	4,894	5,591	(696)	87.5
Incidental business revenue	9,335	11,753	(2,418)	79.4
Operating expenses	520,569	489,531	31,037	106.3
Electric utility operating expenses	513,395	479,085	34,309	107.2
Personnel expense	31,276	36,187	(4,910)	86.4
Fuel cost	209,967	173,957	36,010	120.7
Repair expense	50,635	45,390	5,245	111.6
Taxes and duties	26,594	25,792	801	103.1
Depreciation and amortization cost	106,080	115,585	(9,504)	91.8
Other	88,841	82,172	6,668	108.1
Incidental business operating expenses	7,174	10,446	(3,272)	68.7
Operating income	62,644	40,904	21,739	153.1
Non-operating revenues	6,348	6,463	(115)	98.2
Non-operating expenses	25,800	23,576	2,224	109.4
Interest expenses	21,627	22,175	(547)	97.5
Other	4,173	1,400	2,772	297.9
Total ordinary revenues	589,561	536,899	52,662	109.8
Total ordinary expenses	546,370	513,107	33,262	106.5
Ordinary income	43,191	23,791	19,399	181.5
(Provision for)reversal of reserve for fluctuation in water level	42	(411)	453	-
Extraordinary income	1,635	-	1,635	-
Extraordinary loss	13,757	-	13,757	-
Income before income taxes and minority interests	31,027	24,203	6,823	128.2
Income taxes – current	16,395	6,660	9,735	246.2
Income taxes – deferred	(153)	1,170	(1,323)	-
Net income	14,785	16,372	(1,587)	90.3