

June 20, 2011

Electric Power Development Co., Ltd

ITOCHU Corporation

**J-POWER Consortium Acquires Letter of Intent for  
New Coal-Fired IPP Project in Indonesia:  
Indonesia's First High Efficiency (USC) Coal-Fired IPP Project  
with One of the Greatest Scales in Asia**

Electric Power Development Co., Ltd. (headquartered in Chuo-ku, Tokyo; Masayoshi Kitamura, President; hereinafter "J-POWER") and ITOCHU Corporation (headquartered in Minato-ku, Tokyo; Masahiro Okafuji, President & CEO; hereinafter "ITOCHU") announced today that they have acquired a letter of intent for the Development of Central Java Coal Fired Power Plant 2 x 1000MW independent power producer (IPP) project that was put out to international tender in April 2011 in Indonesia, in collaboration with an Indonesian leading coal company, PT Adaro Energy Tbk. (hereinafter "Adaro").

This project is one of Asia's largest IPP projects. It includes construction of a coal-fired power plant with a total capacity of 2,000 MW in the province of Central Java and a 25-year power purchase agreement (PPA) with Indonesia's state-owned electricity company PT Perusahaan Listrik Negara (PLN).

The project is characterized in using locally produced sub bituminous coal as fuel for power generation and in introducing to Indonesia the first two large boilers with a capacity of 1,000MW each, using the ultra super critical (USC) technology to minimize the environmental impact. The project is also in line with the initiative of the Japanese government for Deployment of Integrated Infrastructure Systems Overseas.

Indonesia faces an urgent to boost its power generation capacity to meet power demand that is rising steadily in association with rapid economic growth. The consortium of J-POWER, ITOCHU, and Adaro was granted the letter of intent, evaluated for its technology to minimize the environmental impact, a proven track record in the operation of high efficiency coal-fired power plants, and ample experience in Indonesia.

In the future, the consortium will sign the PPA, followed by procedures for an engineering, procurement, and construction (EPC) contract, a license granted from the Indonesian government, and a loan agreement with the syndicate. The commercial operation is expected to start in February 2017.

J-POWER has been actively engaged in the overseas power generation business while owning and operating coal-fired power plants with a total capacity of approximately 8,400MW in Japan. Based on its accumulated technology for high efficiency coal-fired power generation, this project is expected to contribute to reliable power supply in Indonesia, to a reduction in the environmental impact, and to the transfer and promotion of advanced technologies through comprehensive support for the construction, operation, and maintenance of Indonesia's largest and most cutting-edge coal-fired power plant. It will also serve as a model of high efficiency coal-fired power generation operations in Asia.

ITOCHU has defined the IPP business as a priority area in its medium-term management plan Brand-New Deal 2012, given its potential to generate sustained earnings over the long term. In addition to North America, where it has consistently accumulated prime assets, ITOCHU will be working actively to add prime IPP assets in Indonesia, where the letter of intent was won, as well as in the rest of Asia, Europe, the Middle East, and other regions. In parallel with that, ITOCHU will be moving forward with power generation projects using more environmentally friendly technologies including wind, biomass, and geothermal power generation as well as the high efficiency coal-fired technology used, for instance, in this Indonesian project.

[Attachment - 1] Profile of the new coal-fired IPP project in Indonesia

[Attachment - 2] Power Plant Location Map

## Profile of the new coal-fired IPP project in Indonesia

Location	Batang Regency, Central Java, Republic of Indonesia
Power generation method	Ultra Super Critical (USC) coal-fired power generation
Capacity	2,000MW(2 x1,000MW)
Fuel	Sub bituminous coal produced in Indonesia
Scheme	Build-Operate-Transfer (BOT)
Ownership	Electric Power Development Co., Ltd.: 34% PT Adaro Energy Tbk.: 34% ITOCHU Corporation: 32%
Electric power sales destination and contract period	Sales destination: PT Perusahaan Listrik Negara (PLN) Period: 25 years
Maintenance and operation	To be performed by a project company*
Schedule	August 2012: Commencement of construction August 2016: Unit 1 Commercial Operation (after 48 months of construction) February 2017: Unit 2 Commercial Operation (after 54 months of construction)

\* To be jointly set up in the future by the three investors

■ PT Adaro Energy Tbk. (“Adaro”)

Company name: PT Adaro Energy Tbk.

Head office: Jakarta, Republic of Indonesia

Capital: IDR 3,198.6 billion (as of the end of December 2010)

Business: Integrated coal mining through subsidiaries

Power Plant Location Map

