



2014

Annual Report



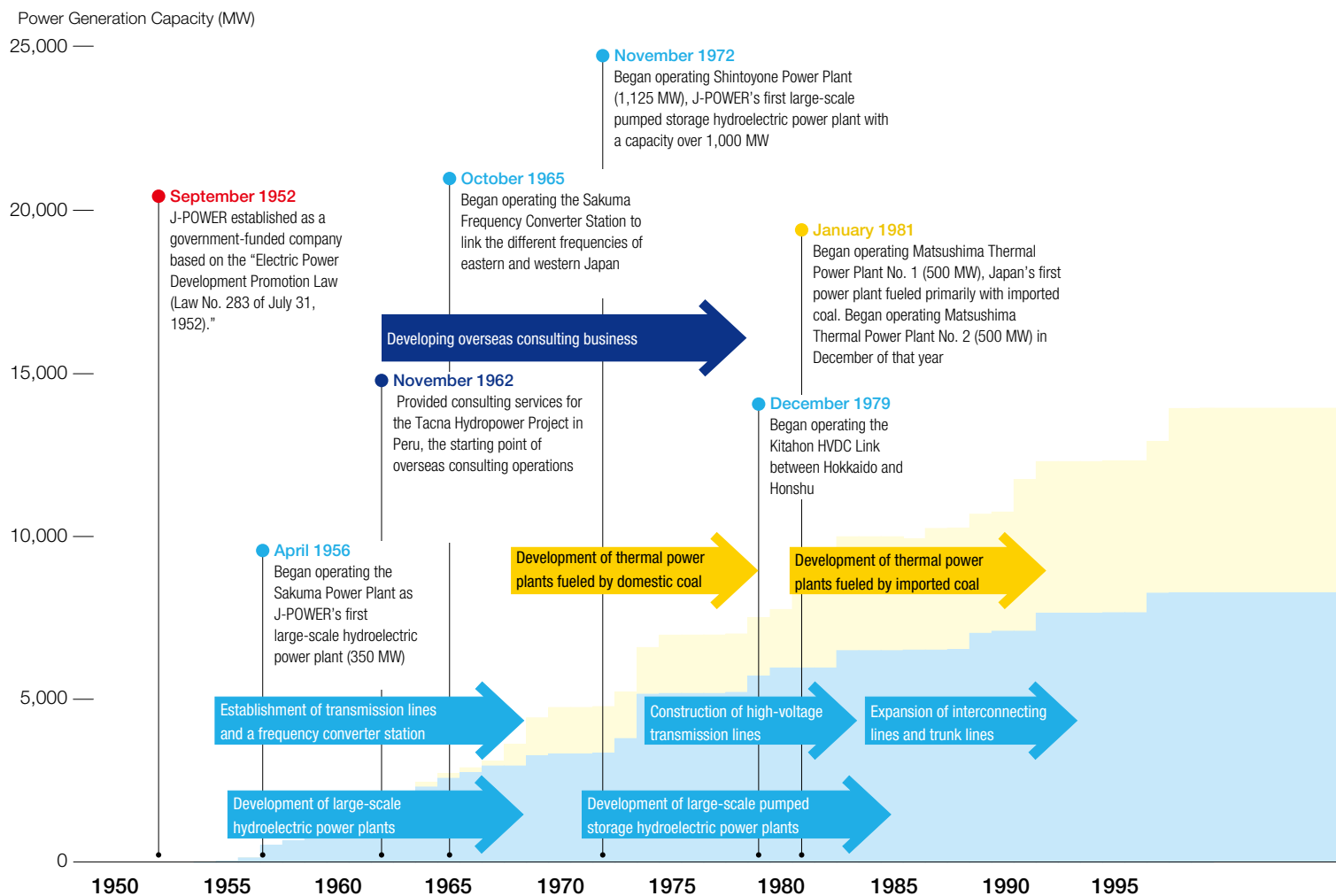
J-POWER (Electric Power Development Co., Ltd.) is the only wholesale power company with a presence throughout Japan. Since its establishment by the government in 1952 to overcome the power shortages in postwar Japan, J-POWER has developed its business in the wholesale supply of hydroelectric and thermal power, conducted a power transmission business through its trunk transmission lines that connect every domestic region, and contributed to the stable supply of electric power in Japan.

Listed on the Tokyo Stock Exchange's First Section and thus becoming fully privatized in 2004, J-POWER is developing both the electric power generation business in foreign countries where growth is expected and such renewable energy sources as wind and geothermal power generation, while working to create new businesses.

By making the most of its expertise regarding leading-edge technologies developed throughout the world and its proven record of trustworthy performance, J-POWER is attaining its steady and farsighted progress on the basis of its "coexistence of energy and the environment" concept.

J-POWER's History

Trends in J-POWER's Power Generation Capacity



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Our Mission

We will meet people's needs for energy without fail, and play our part for the sustainable development of Japan and the rest of the world.

Our Credo

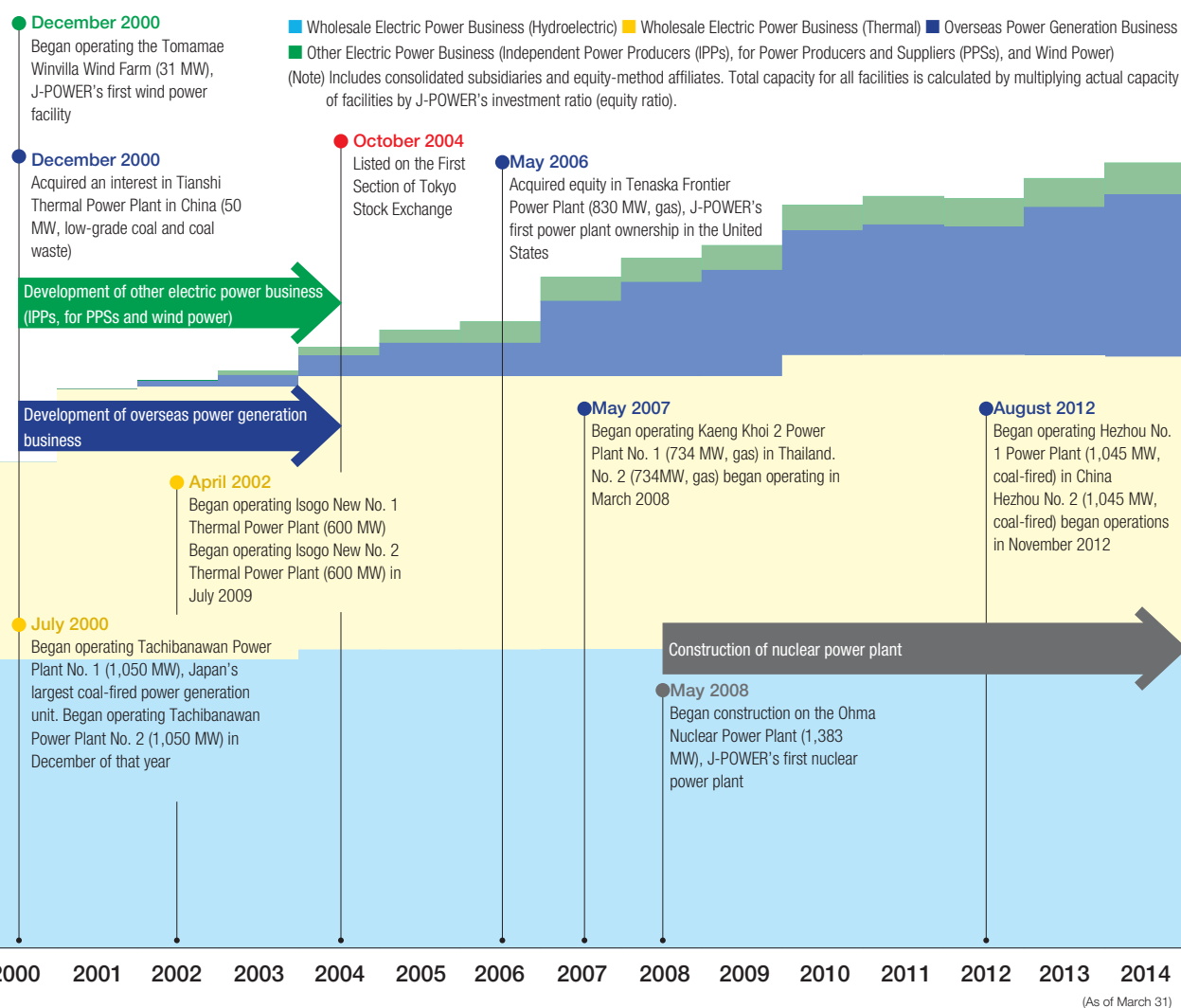
We value integrity and pride, which drive everything we do.

We pursue harmony with the environment, and thrive in the trust of communities where we live and work.

We regard profits as the source of our growth, and share the fruits with the society.

We refine our knowledge constantly, to be the pioneering leader in technologies and wisdom.

We unite diverse personalities and passions as one, and dare create a better tomorrow.



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Forward-Looking Statements

Statements in this annual report, other than those of historical fact, are forward-looking statements about the future performance of J-POWER that are based on management's assumptions and beliefs in light of information currently available, and involve both known and unknown risks and other uncertainties. Actual events and results may differ materially from those anticipated in these statements.

Presentation of Monetary Amounts and Other Figures

For monetary amounts and electric power sales, figures less than the indicated unit are rounded down. For other amounts, figures less than the indicated unit are rounded to the nearest unit unless otherwise mentioned.

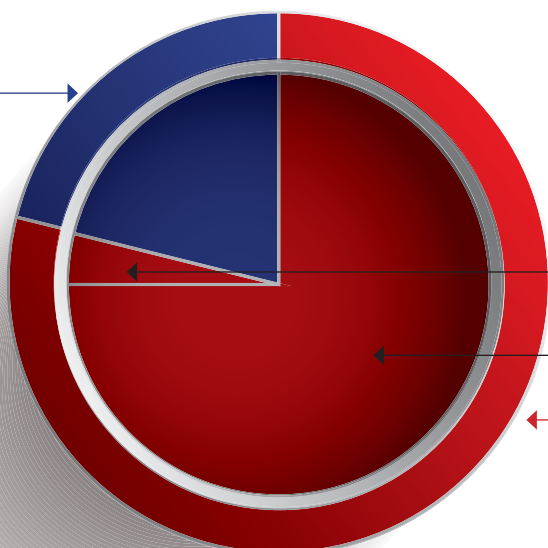
Consolidated Power Generation Capacity in Operation (Owned-Capacity Basis)

(As of March 31, 2014)

Note: Includes facilities of subsidiaries and affiliates accounted for by the equity method. Capacity for all facilities is multiplied by J-POWER's investment ratio (equity ratio).

Domestic 79% 17,861 MW

Wholesale Electric Power Business	16,945MW	75%
Thermal	8,389MW*	37%
Hydroelectric	8,556MW	38%
* Includes geothermal power generation		
Other Electric Power Business	916MW	4%
IPPs, for PPSs	548MW	2%
Wind Power	368MW	2%



Overseas 21% 4,649 MW

Thailand	1,608MW
United States	1,442MW
China	905MW
Other areas	693MW

The J-POWER Group's Electric

Domestic

J-POWER's core business is wholesale electric power business operating power plants throughout Japan to supply electricity to the electric power companies (EPCOs) in each region of Japan on a long-term basis. We also employ our power transmission and transforming facilities to provide transmission services. In addition, we are engaged in the operation of wind power plants, the wholesale supply of electricity to EPCOs as independent power producers (IPPs), the wholesale supply of electricity to power producers and suppliers (PPSs), and other kinds of business.

Isogo Thermal Power Plant (Kanagawa Prefecture)



Global Business Development

Overseas

J-POWER is leveraging its almost 50 years of overseas achievements and know-how as it engages in its overseas power generation business and overseas consulting business. J-POWER is contributing to the stable supply of electric power and sustainable development throughout the world.

Nong Saeng Power Project Unit No. 1 Power Plant (Thailand)



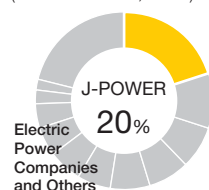
Wholesale Electric Power Business

Thermal Power

Highly Economical Base Energy Source

J-POWER owns seven coal-fired power generation facilities with a total capacity of 8,374 MW, making it Japan's top company in terms of coal-fired power generation capacity. The special feature of coal-fired thermal power generation is the lower cost per calorie compared with power generation by crude oil, LNG, and other fossil fuels. Reflecting the use of coal-fired facilities to meet base demand, such facilities have high capacity load factors and can be said to be outstanding sources of power in terms of economy.

Share of Coal-Fired Power Generation Capacity in Japan (As of March 31, 2014)



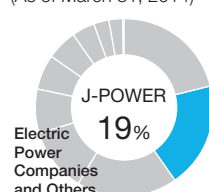
Sources: Reports issued by the Federation of Electric Power Companies of Japan and the Agency for Natural Resources and Energy

Hydroelectric Power

Purely Domestic and Renewable Energy

J-POWER owns 58 hydroelectric power plants with a total capacity of 8,556 MW, making it Japan's second-ranked company in terms of hydropower generation capacity. Hydroelectric power represents a valuable national energy resource and, as a CO₂-free power source, plays a central role in renewable energy. Moreover, because hydroelectric power plants are able to rapidly respond to changes in electricity demand, they are used mainly in the daytime, when demand reaches its peak levels.

Share of Hydroelectric Power Generation Capacity in Japan (As of March 31, 2014)



Source: Reports issued by the Agency for Natural Resources and Energy

Power Transmission/Transformation

Core Elements of Japan's Electric Power Infrastructure

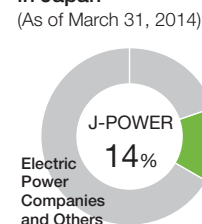
J-POWER has major transmission lines with a total length of approximately 2,400 km, including trunk lines that connect Honshu with Hokkaido, Shikoku, and Kyushu. We also own a frequency converter station that links the different frequencies of eastern and western Japan. These facilities are key infrastructure elements that play extremely important roles in the comprehensive management of Japan's nationwide power grid.

Other Electric Power Business

Responding to Deregulation Opportunities and Low-Carbon Society Needs

J-POWER provides wholesale power supplies to EPCOs using three IPP facilities throughout Japan with a total capacity of 522 MW (owned capacity: 270 MW) and provides wholesale power supplies for PPSs using three facilities throughout Japan with a total capacity of 322 MW (owned capacity: 278 MW). Owning 19 wind farms throughout Japan with a total capacity of 381 MW (owned capacity: 368 MW), we are Japan's second-ranked company in terms of wind power generation capacity. All these operations are undertaken via subsidiaries and affiliates.

Share of Wind Power Generation Capacity in Japan (As of March 31, 2014)



Source: Compiled from Japan Wind Power Association Report

Overseas Power Generation Business

From the late 1990s, J-POWER has been working on its overseas power generation business, which invests the Company's funds and technology and participates in electric power generation projects. As of March 2014, the J-POWER Group owns power generation facilities that are in operation in seven countries and regions, including Thailand, the United States, and China. These facilities have a total capacity of 4,649 MW (owned capacity basis). In Thailand, two IPP projects with outputs of 1,600 MW are scheduled to commence operation in 2014 and 2015. In Indonesia, the Company is preparing for the construction of its high-efficiency, coal-fired thermal power plant project (total output of 2,000 MW).

Overseas Consulting Business

J-POWER has conducted its overseas consulting business, which involves technical cooperation related to electric power development and environmental preservation, since the 1960s. As of March 2014, the Company has executed a cumulative total of 344 projects in 64 countries and regions.

Overseas power generation business

(As of March 31, 2014)

● In operation	7 countries/regions	35 projects	Owned capacity 4,649 MW
○ Under construction/planned	2 countries	3 projects	Owned capacity 3,560 MW

Overseas consulting service projects

64 countries/regions 344 projects (cumulative)

Europe
Overseas power generation business
In operation
1 country- 24 MW
Consulting service projects
14 countries- 20 projects

Middle East/Africa
Consulting service projects
15 countries- 42 projects

Asia
Overseas power generation business
In operation
5 countries/regions- 3,182 MW
Under construction/planned
2 countries- 3,560 MW
Consulting service projects
20 countries/regions- 232 projects

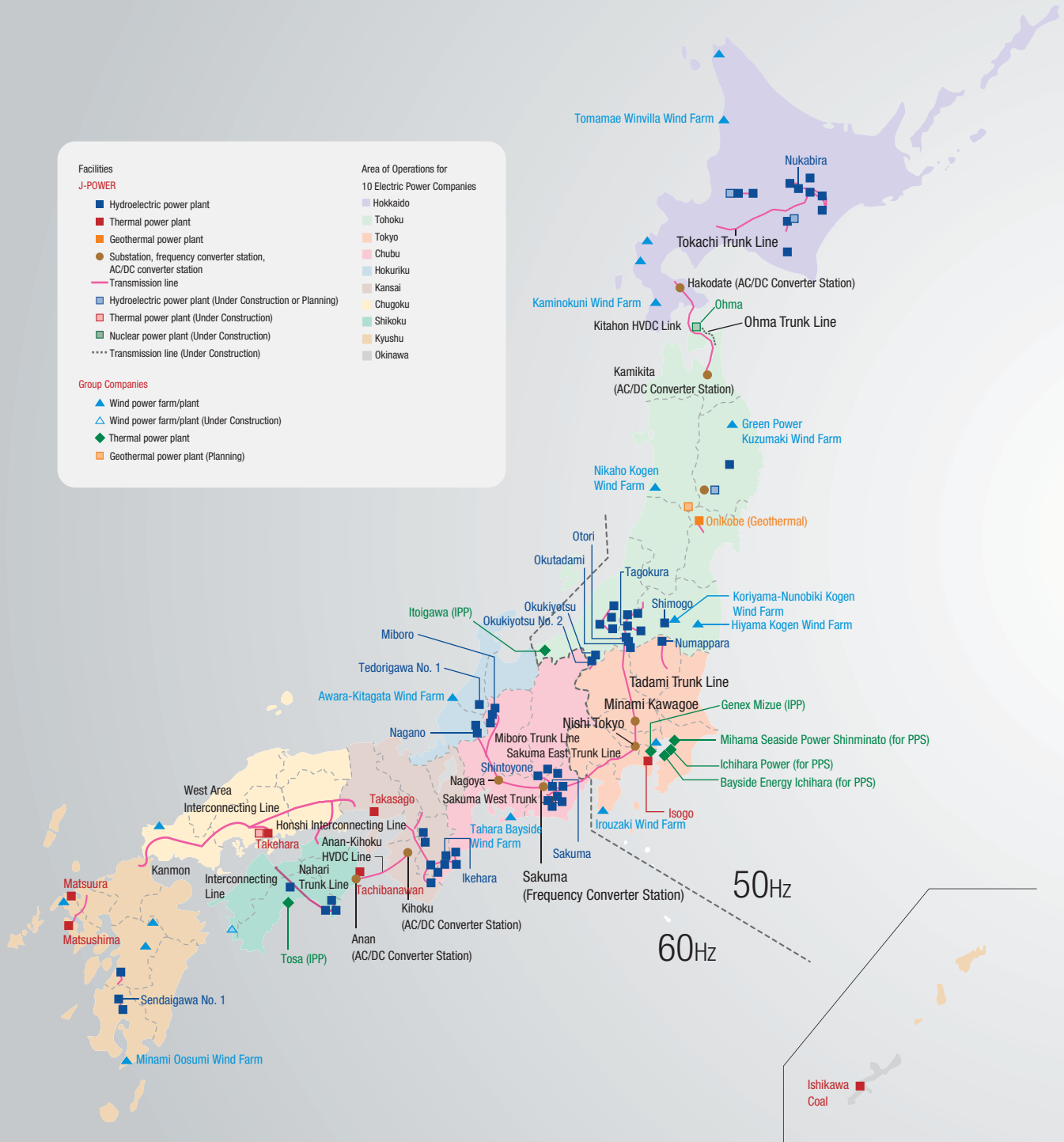
North America
Overseas power generation business
In operation
1 country- 1,442 MW
Consulting service projects
1 country- 1 project

Central and South America
Consulting service projects
13 countries- 49 projects

J-POWER Group Business Development throughout Japan

Through its ownership and operation of power plants with a total capacity of 17,861 MW*, transmission lines extending approximately 2,400 km, and substations, the J-POWER Group plays a vital role in maintaining a stable supply of electricity throughout Japan.

* Capacity for all facilities is multiplied by J-POWER's investment ratio (equity ratio).



Domestic Electric Power Business Facilities

(As of March 31, 2014)

J-POWER Facilities

Power generation facilities

Hydroelectric power plants	58	8,556 MW
Thermal power plants (including 1 geothermal plant)	8	8,389 MW
Total	66	16,945 MW
Transmission lines (total lines)		2,407.9 km
AC power transmission lines		2,140.7 km
DC power transmission lines		267.2 km
Substations	4	4,301 MVA
Frequency converter station	1	300 MW
AC/DC converter stations	4	2,000 MW

Facilities of Subsidiaries and Affiliates*

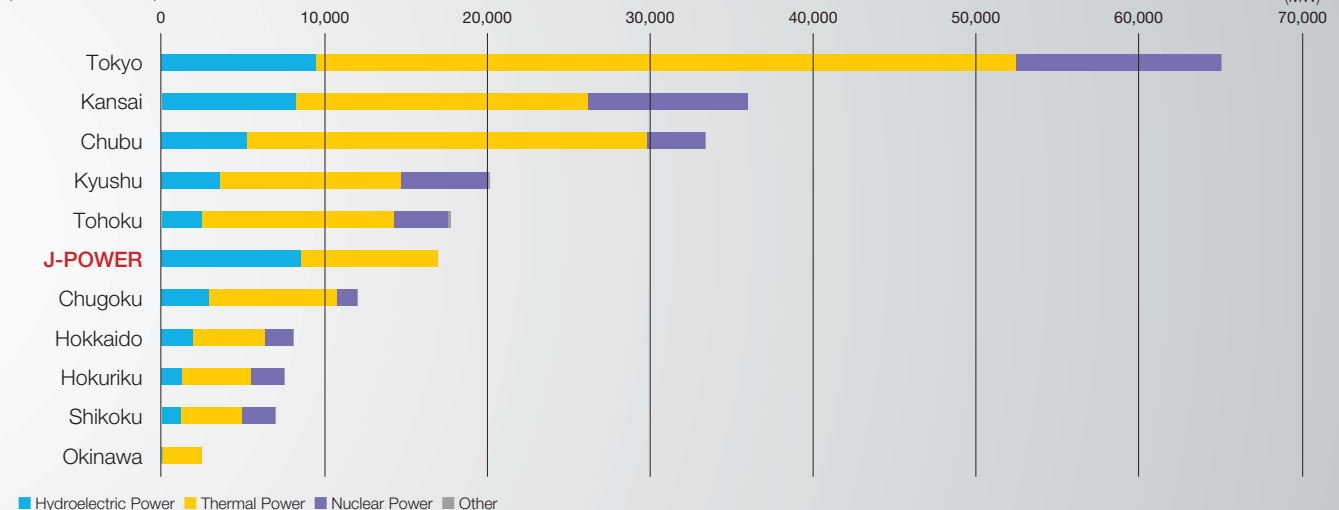
Power generation facilities

Wind power	19	381 MW
IPPs, wholesale power for PPSs	6	844 MW
Total	25	1,225 MW

* Including facilities of subsidiaries and affiliates (without taking proportion of equity holdings into account)

Power Generating Capacity of J-POWER (Wholesale Electric Power Business) and 10 Electric Power Companies (EPCOs)

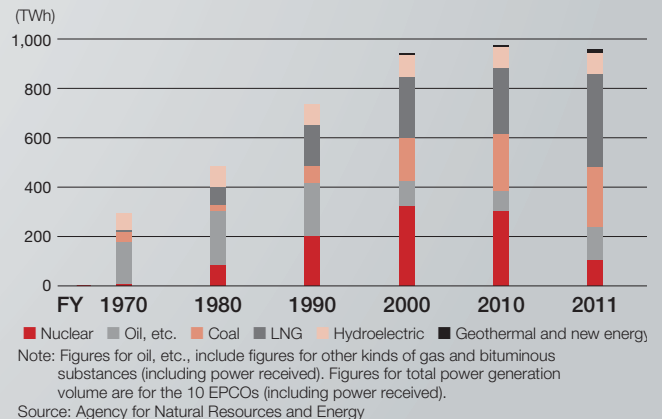
(As of March 31, 2014)



Source: Reports issued by the Agency for Natural Resources and Energy

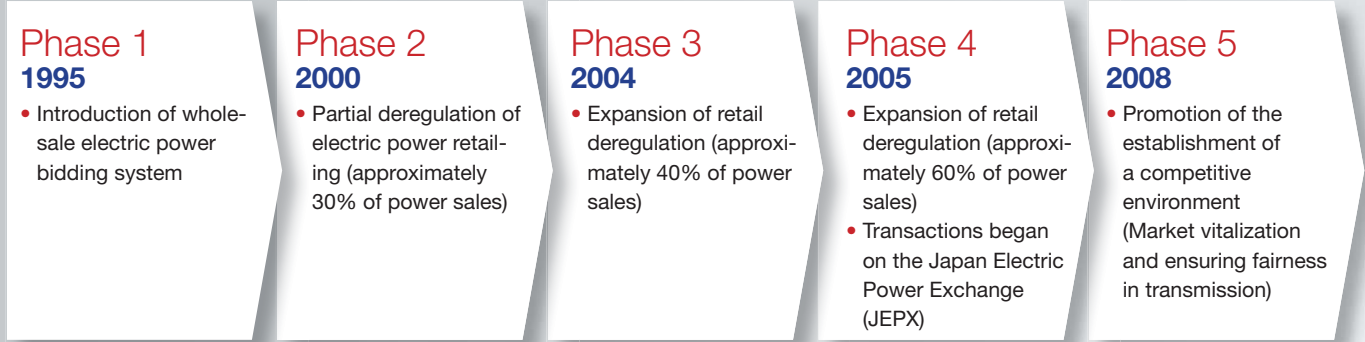
Power Generation by Power Source in Japan

While hydroelectric power previously accounted for the bulk of electric power generating capacity in Japan, there was a shift to the use of thermal power fueled by abundant and inexpensive oil. Since the oil shocks, the development of coal-fired and natural gas-fired thermal power generation as well as nuclear power has advanced, and efforts have been made to diversify power generation methods. The operation of nuclear power plants in Japan has been suspended since the accident at the Fukushima Daiichi Nuclear Plant, making coal and gas-fired thermal power the main pillar of electricity supply in Japan.



Note: Figures for oil, etc., include figures for other kinds of gas and bituminous substances (including power received). Figures for total power generation volume are for the 10 EPCOs (including power received).
Source: Agency for Natural Resources and Energy

Former Progress of Deregulation

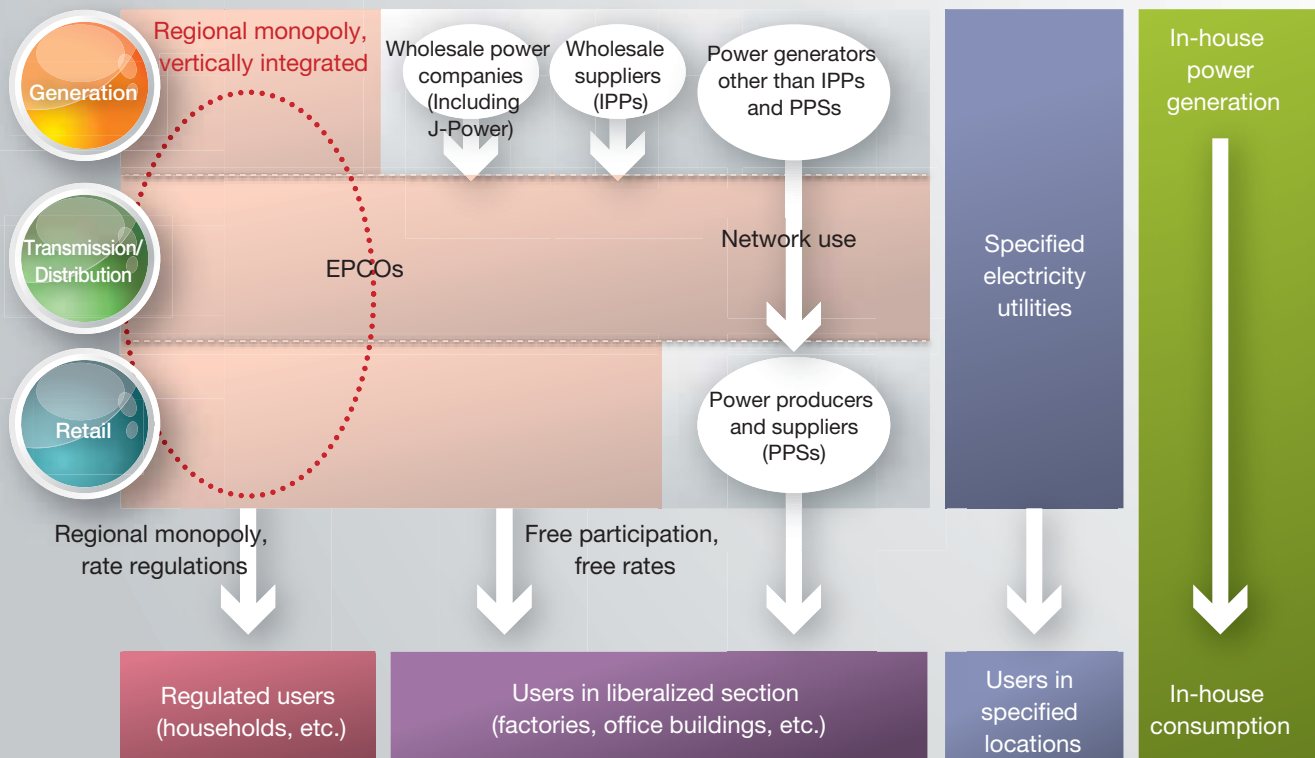


Japan's Conventional Electric Power Supply System

Today's Japanese electric power industry comprises the traditional, vertically integrated general electric utilities (EPCOs); wholesale electric utilities, including J-POWER, and wholesale suppliers (IPPs) that supply electricity to EPCOs; and power producers and suppliers (PPSs) that have entered the new retail sector. Amid a trend toward increased electric power industry liberalization, the revision of the Electricity Business

Act created systems that enabled the creation of IPPs and PPSs and allowed companies other than electric power companies to engage in the wholesale supply of power to electric power companies as well as the retail distribution of power from 1995 onward. Since 2005, electric power transactions have been carried out at the Japan Electric Power Exchange (JEPX).

Current Electricity Supply System



Source: "The Power Industry After Electricity System Reforms" Advisory Committee for Natural Resources and Energy

New Flow of Electricity System Reform

1st phase 2015

- Establishment of the Organization for Cross-regional Coordination of Transmission Operators (OCCTO)

2nd phase 2016

- Full liberalization of the retail market
- Abolition of wholesale regulations

3rd phase 2018–2020*1

- Legal structural separation of the transmission/distribution sector
- Full liberalization of retail rates

Electricity System Reform following the Great East Japan Earthquake

Due in part to the Great East Japan Earthquake and the accident at TEPCO's Fukushima Daiichi Nuclear Power Plant, electricity generation costs have been rising, and the balance of electric power supply and demand in Japan is tightening. In response, the government is advancing electricity system reform as part of efforts to rebuild its energy policy.

The three goals of the reform are securing the stable supply of electricity, suppressing electricity rates to the maximum extent possible, and providing consumers with choices as well as business operators with opportunities to expand their businesses. To achieve these goals, electricity system reform will be implemented in three stages, expanding operations of wide-area electricity grids, fully liberalizing the retail market and power generation, and further securing neutrality of the power transmission/distribution sector through the legal structural separation method.

So far, based on the Policy on Electricity System Reform approved by the Cabinet in April 2013, the Electricity Business Act was amended in November 2013 and June

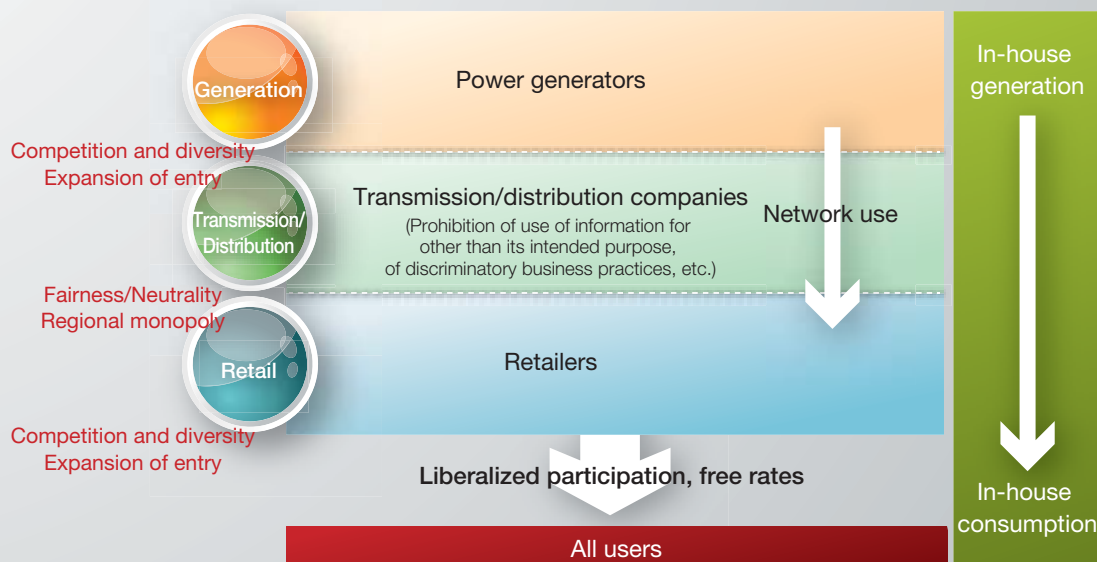
2014, and plans were finalized for the establishment of the Organization for Cross-regional Coordination of Transmission Operators (OCCTO) in 2015 and the full liberalization of power retail and abolition of wholesale regulations in 2016. The abolition of wholesale regulations includes the elimination of rate restrictions*2 on wholesale supply to EPCOs as part of measures to fully liberalize power generation.

As further details of system reform continue to be explored, preparations are being advanced for legal amendments related to the legal unbundling of the transmission/distribution sector and revisions to regulations on electricity retail rates in 2018–2020*1.

*1. Under the assumption that the full liberalization of retail electricity rates is implemented between 2018 and 2020, the timing of the implementation of liberalization will be reexamined if the interests of electricity users are found to be negatively affected due to such factors as failure to ensure fair competition.

*2. Rates for the supply of electricity to EPCOs in excess of set amounts or time frames were recalculated on a cost basis and the results were submitted to the Minister of Economy, Trade and Industry.

Electricity Supply System after Reform



Source: Prepared from "The Power Industry After Electricity System Reforms," Advisory Committee for Natural Resources and Energy

J-POWER is targeting sustained growth in its corporate value by contributing to the stable supply of electricity in Japan and carrying out business development on a global scale.

Japan's energy environment has changed dramatically, following the Great East Japan Earthquake and the Fukushima Nuclear Power Plant Accident, and the nation has been facing serious demands for a large scale adjustment to its energy policies. On April 11th of this year, Japan's cabinet approved the Fourth Basic Energy Plan, which is a complete revision of the energy policy envisaged prior to the earthquake disaster.

Due to the resumption issue surrounding nuclear power plants, prospects for the supply and demand of electric power in the short-term remains unclear. While a quantified energy mix has not been given, the Basic Energy Plan has indicated that nuclear and coal-fired thermal power will form the crucial baseload electricity source as supply is rebuilt, alongside systemic reforms such as electricity system reform. This agrees with our company's management direction.


In such a climate, the J-POWER Group is engaged in initiatives to enhance our business platform, supporting the stable supply of electric power, as well as continually engaging in the development of new power supplies to sustainably increase our corporate value.

Initiatives to enhance our business platform: While responding to changes in the domestic power generation business resulting from the electricity system reform, we are undertaking further enhancement of our business platform. This is based on enhancing our technical strengths and using these strengths to secure the reliability of facilities. This forms the core pillar of our business, which is to contribute to stable supply of electric power domestically and overseas.

Initiatives in growth through new development: In the domestic sphere, while taking environmental load into consideration, we are actively engaged in new development to follow the new No. 1 Unit of Takehara Thermal Power Plant and Ohma Nuclear Power Plant. This is to respond to demands for stable supply of electric power in the mid- to long-term, mainly driven by baseload electric sources. Overseas, we will steadily progress committed projects, while promoting cultivation of new projects centered around Asia for future growth.

What is crucial for new investments is seeking to secure appropriate financial health that responds to changes in the operational environment. Careful selection and concentration, as well as innovative business practices will be used to maintain financial health while growing through the development of new power sources.

The J-POWER Group is dedicated to the achievement of our mission, which reflects our corporate philosophy, and will continue to meet this challenge in 2014. We are as always grateful for your continued support.



Masayoshi Kitamura

President & CEO

July 2014



Strengthening J-POWER's Business Foundation

Question

Please tell us about initiatives to enhance J-POWER's business platform.

Answer

We are responding to evolving competition resulting from electricity system reform and continuing to contribute to the steady supply of electricity by enhancing our business platform through initiatives centered on reinforcing our technical capabilities and ensuring the reliability of our facilities.

In March 2014, there was an incident at the No. 2 Unit of the Matsuura Thermal Power Station in which a low-pressure turbine fell during a periodic inspection. In light of the present challenging electricity supply and demand situation, the J-POWER Group takes this incident very seriously and will engage in large-scale effort towards early restoration. We will also seek timely clarification of its causes and establish recurrence prevention measures, ensuring facility maintenance and going back to the start by committing to securing facility reliability in order to restore trust in J-POWER.

To secure facility reliability, we are advancing measures to reinforce maintenance in line with continuous high operating levels while addressing facility aging. At the same time, we strive for stable facility operation by progress that appropriately responds to disaster and the needs of environmental measures.

As electricity system reform advances, we expect that, along with the emergence of profitable new business opportunities, the domestic power generation business will also become more volatile. Against this backdrop, the J-POWER Group will flexibly reform its business structure to best take advantage of the characteristics of its power sources. We will make capital investments aimed at new facilities to increase supply capacity and secure the reliability of existing facilities. At the same time, we must also secure appropriate financial health. Specifically, in developing new power sources, we must select and concentrate investments and use innovative business practices to efficiently allocate management resources as we aim for profit growth. Moreover, we are enhancing our business platform to ensure resilience amid the changing business environment by constantly improving the cost structure to reinforce competitiveness.

In addition to these initiatives, we are working to reinforce corporate governance, compliance awareness, safety assurance and crisis management, and disaster response capabilities to support the stable supply of electricity and contribute to sustainable social development and thus continually increase corporate value.

Coal-Fired Thermal Power

Question

Please tell us about J-POWER's initiatives to build new, extended or upgraded coal-fired thermal power facilities in Japan.

Answer

Besides the replacement project involving the installation of the New No. 1 unit at the Takehara Thermal Power Station, the Kashima Power project and the replacement project involving the Takasago Thermal Power Station, we are working to maximize business opportunities by replacing existing facilities as needed and building new facilities with coal-fired thermal power technology that boasts a world-leading standard of efficiency.

A leader in coal-fired thermal power generation in Japan, the J-POWER Group was the first in the country to develop a coal-fired thermal power plant run on imported coal and has gone on to introduce the latest technologies for high-efficiency power generation. The J-POWER Group currently operates seven coal-fired thermal power stations in Japan with a total capacity of 8,374 MW.

Since the Great East Japan Earthquake, the outlook for the restart of nuclear power and electricity supply in Japan has been difficult to foresee. Amid this uncertainty, the J-POWER Group intends to develop coal-fired thermal power plants to provide a stable, economical baseload power source alongside nuclear power to meet the societal need for stable electric power supply.

Currently, J-POWER is pursuing the Takehara New No. 1 unit replacement project, the Kashima Power project and the Takasago Thermal Power Plant replacement project.

Under the Takehara New No. 1 unit replacement project, the current No. 1 and No. 2 units, which have been in service for nearly 40 years, are being replaced by the New No. 1 unit, which will feature cutting-edge technology that will help to reduce environmental impact and increase energy efficiency. We have begun construction, and are aiming to bring the new plant online in September 2020.

Under the Kashima Power project, a joint venture with Nippon Steel & Sumitomo Metal Corporation, we plan to construct a 650 MW class coal-fired thermal power plant on the premises of one of Nippon Steel & Sumitomo Metal's steel plants by 2020. We have already started procedures related to the environmental impact assessment for this project.

For the Takasago Thermal Power Plant replacement project, we plan to replace existing No. 1 and No. 2 facilities with high-capacity units employing cutting-edge technology. We began the environmental assessment in July 2014 and plan to bring the new No. 1 unit online in 2021, followed by the No. 2 unit in 2027.

Going forward, we will work to maximize business opportunities related to new projects to replace existing facilities and build new facilities.

Ohma Nuclear Power

Question

Please tell us the situation regarding the construction of the Ohma Nuclear Power Plant.

Answer

With appropriate incorporation of new regulation standards and steady implementation of necessary safety measure construction works, we are striving to construct the newest and safest nuclear power plant in Japan.

J-POWER's Ohma Nuclear Power Project is situated in Ohmachi, Shimokita-gun in Aomori Prefecture. Having gained permission to install the reactor in April 2008, we started construction after receiving first-phase construction planning in March 2008. All construction work was suspended following the Great East Japan Earthquake disaster of March 2011 but was partially resumed in October 2012.

From the perspective of steady energy supply, nuclear power is an essential and indispensable source of energy for Japan, with its poor natural resources. It is also a source of energy that provides an effective countermeasure to global warming. The Ohma Nuclear Power Plant is important in terms of creating a stable power supply, reducing carbon emissions and recycling nuclear fuel.

In light of the Nuclear Regulation Authority's new standards (which went into effect in July 2013), we are currently preparing an application for permission for the alteration of the establishment of the nuclear reactor, engaged in design related to reinforced safety measures. We will submit the application for review by the Authority as quickly as possible and work to earn the understanding of the local community as we make steady progress with this project.

(For the measures for reinforcing safety at Ohma Nuclear Power Plant, please refer on pages 14 to 15.)



Construction status of the Ohma Power Project (photographed in July 2014)

Ohma Nuclear Power Plant Location Map



Overview of the Ohma Nuclear Power Project

Location:	Ohma-machi, Shimokita-gun, Aomori Prefecture
Capacity:	1,383 MW
Type of nuclear reactor:	Advanced Boiling Water Reactor (ABWR)
Fuel:	Enriched uranium and uranium-plutonium mixed oxide (MOX)
Start of commercial operation:	Undecided

Overseas Power Generation Business

Question

Please tell us what you see as the outlook for the overseas power generation business.

Answer

When the large-scale projects currently under development begin operation, J-POWER's owned capacity overseas is expected to reach approximately 8,000 MW, about half our domestic capacity. We are also nurturing new projects for the future.

Through consolidated subsidiaries, J-POWER is advancing the development of projects in Thailand. The gas-fired projects involving seven facilities each of 100 MW class capacity under the Thai government's Small Power Producer (7 SPP projects) commenced operation in 2013. Operating revenues from overseas businesses increased ¥41.1 billion from ¥1.6 billion in fiscal 2012 to ¥42.8 billion in fiscal 2013. For fiscal 2014, due to the full-year contribution of the 7SPP projects as well as the start of operations at a large-scale gas-fired 1,600 MW power station (the Nong Saeng IPP project) also in Thailand, we expect overseas business operating revenues to reach ¥96.0

billion. In fiscal 2015, the U-Thai IPP project (a 1,600 MW large-scale gas-fired power station) currently under construction is scheduled to begin operation, greatly expanding the scale of the J-POWER Group's overseas business. J-POWER has signed 25-year long-term power purchase agreements with the Electricity Generating Authority of Thailand for these projects, which will contribute to stable earnings for the Group throughout the course of their commercial operation.

In Indonesia, we are advancing development and preparations for a 2,000 MW coal-fired thermal power station using Indonesian coal and high-efficiency ultra-supercritical (USC) technology. Because the acquisition of a site for the project has not gone as smoothly as planned, the start of construction, originally slated for October 2012, has been delayed, but we are working with our partner in this project to begin construction as soon as possible.

The owned capacity of power plants in operation in J-POWER's overseas power generation business totals 4,649 MW. Once the projects to which we have already committed begin commercial operations, our owned capacity will expand to around 8,000 MW, close to half the output of our domestic business.

Going forward, we will steadily implement projects we have committed to while advancing the development of new projects for the future.



KP1 Power generating plant (Thailand)

Efforts related to global environmental issues

Question

Please tell us about J-POWER's efforts related to global environmental issues.

Answer

In addition to actively promoting the use of wind power and other renewable energy sources, J-POWER is working to further improve the efficiency of coal-fired thermal power and is employing such technologies overseas, thus contributing to the reduction of global carbon emissions and energy consumption.

The J-POWER Group is already actively engaged in the use of renewable energy, operating 19 wind farms (220 units) throughout Japan with a total output capacity of 381 MW. We will continue to leverage our accumulated know-how to steadily promote new development.

In addition, we are developing geothermal and small- and medium-scale hydroelectric power projects. In Akita Prefecture we are advancing the Wasabizawa geothermal power project. We aim to begin operations at this plant in 2019 and are now implementing procedures related to the environmental impact assessment. Among small- and medium-scale hydroelectric projects, we are constructing the Kuttari Power Plant in Hokkaido with the goal of starting operations in 2015. These are just some of the projects we are cultivating in the geothermal and small- and medium-scale hydroelectric power generation area.

The J-POWER Group is also aiming to decrease CO₂ emissions by improving the efficiency of its coal-fired thermal power plants. At the Takehara Thermal Power Plant in Hiroshima Prefecture, we began construction in March 2014 to replace existing facilities with advanced world-class high-efficiency technology. In March 2013, we commenced construction of a large-scale demonstration plant for oxygen-blown integrated coal gasification combined cycle (IGCC) technologies at Osakikamijima, Hiroshima Prefecture where we plan to start testing from fiscal 2016. If we are able to combine this technology with fuel cells to create even greater efficiency, it may be possible to reduce CO₂ emissions by more than 25% compared with current state-of-the-art USC technologies. In addition, to further reduce CO₂ emissions from coal-fired thermal power, we are working to expand business using coal alternatives, such as unutilized forestry scrap materials and sewage sludge, promoting the production of biomass-based fuels and their use in combined combustion at thermal power plants.

Besides our efforts in Japan, we are applying our high-efficiency coal-fired thermal power technologies in overseas businesses to contribute to the reduction of carbon emissions and energy consumption globally.

For Our Shareholders and Investors

Question

Lastly, please tell us your dividend policy and any message you have for shareholders and investors.

Answer

Responding to the changes in the business environment, we will not change our existing policy of aiming to maintain stable shareholder returns over the long term.

J-POWER's business is characterized by investment in infrastructure, such as power plants, and recovering that investment through the long-term operation of such infrastructure. As such, we place the utmost importance on maintaining stable dividends, regardless of year-to-year fluctuations in results. We work to improve corporate value and enhance shareholder returns through long-term growth. This is our policy with regard to shareholder returns, and we have no plans to change it.

Alongside the start of operations between fiscal 2013 and 2015 of nine new projects we have been developing in Thailand, we expect revenue from overseas business to expand significantly. However, considerable additional investment will be required for the construction of safety enhancement features at the Ohma Nuclear Power Plant. As the outlook for restarting nuclear power generation and government policy in Japan remain uncertain, we are working on the new development of coal-fired thermal power, a baseload power source that is both economical and stable. As such, we hope to earn the understanding of our shareholders and investors as we use retained earnings to further these new developments.

The Japanese electric power industry is in the middle of a major paradigm shift. The J-POWER Group is working to make the most of this situation and will take on new challenges in fiscal 2014 in order to fulfill the mission expressed in its corporate philosophy of "Meeting people's needs for energy without fail and playing our part for the sustainable development of Japan and the rest of the world."

I would like to express my heartfelt thanks to our investors and shareholders for their continued support.

Measures for Reinforcing Safety at the Ohma Nuclear Power Plant

For the Ohma Nuclear Power Plant, in addition to previous safety enhancement measures, we are complying with the New Safety Standard for Nuclear Power Stations (effective July 8, 2013), and implementing further safety enhancement measures to further improve safety of the power plant.

We are reviewing the active implementation of superior safety technologies and will appropriately incorporate necessary measures towards building a safe power plant.

I Tsunami Assessment and Emergency Power Supply

(1) Tsunami Assessment

Based on historical records and hypothetical tsunami generating mechanisms, it is estimated that the maximum height of a potential tsunami is T.P. +4.4 meters (obtained permission to install nuclear reaction in 2008), and the facilities necessary for cooling the nuclear reactor are to be installed in major structures (reactor building, turbine building, etc.) built on a compound site with an elevation of T.P. +12 meters.

(2) Emergency Power Supply

Three emergency diesel engine generators will be installed inside the reactor building at a site with an elevation of T.P. +12 meters. In addition, there are two 500 kV lines and a 66 kV line capable of supplying electric power to emergency facilities.

II Measures to Reinforce Safety

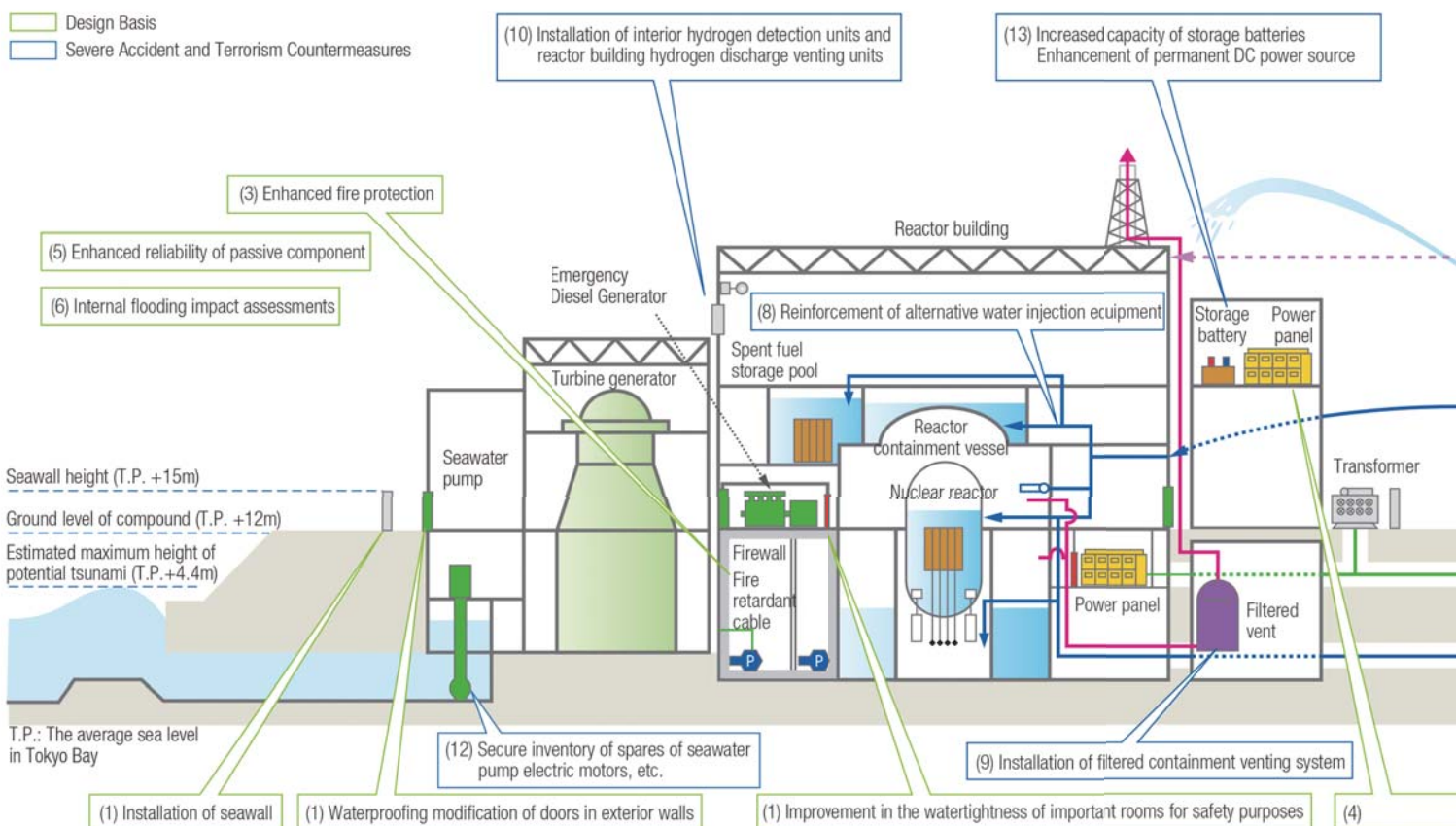
In addition to the above plan I, the following measures will be implemented during construction.

■ Design Basis

To protect the Ohma Nuclear Power Plant's safety equipment functions from external events—including tornadoes, volcanoes, and fires as well as tsunamis and earthquakes—and to thereby bring about improved reliability, J-POWER is putting into effect the following measures:

- (1) Facility protection in the case of a tsunami (installation of seawall, waterproofing modification of doors in exterior walls, height extension of oil fences and improvement in the watertightness of important rooms for safety purposes)
- (2) Implementation of impact assessments of tornadoes and other natural phenomena on the nuclear power plant
- (3) Enhanced fire protection measures (use of fire retardant cables, installation of firewalls, and other measures)
- (4) Installation of power panels on the upper floor for locational dispersion
- (5) Enhanced reliability of passive components that are crucial to safety
- (6) Implementation of impact assessments of internal flooding on the safety system

Image of Measures to Reinforce Safety, etc. at Ohma Nuclear Power Station



Severe Accident and Terrorism Countermeasures

The following measures will be implemented for responding rapidly and managing situations even in the event of a severe accident.

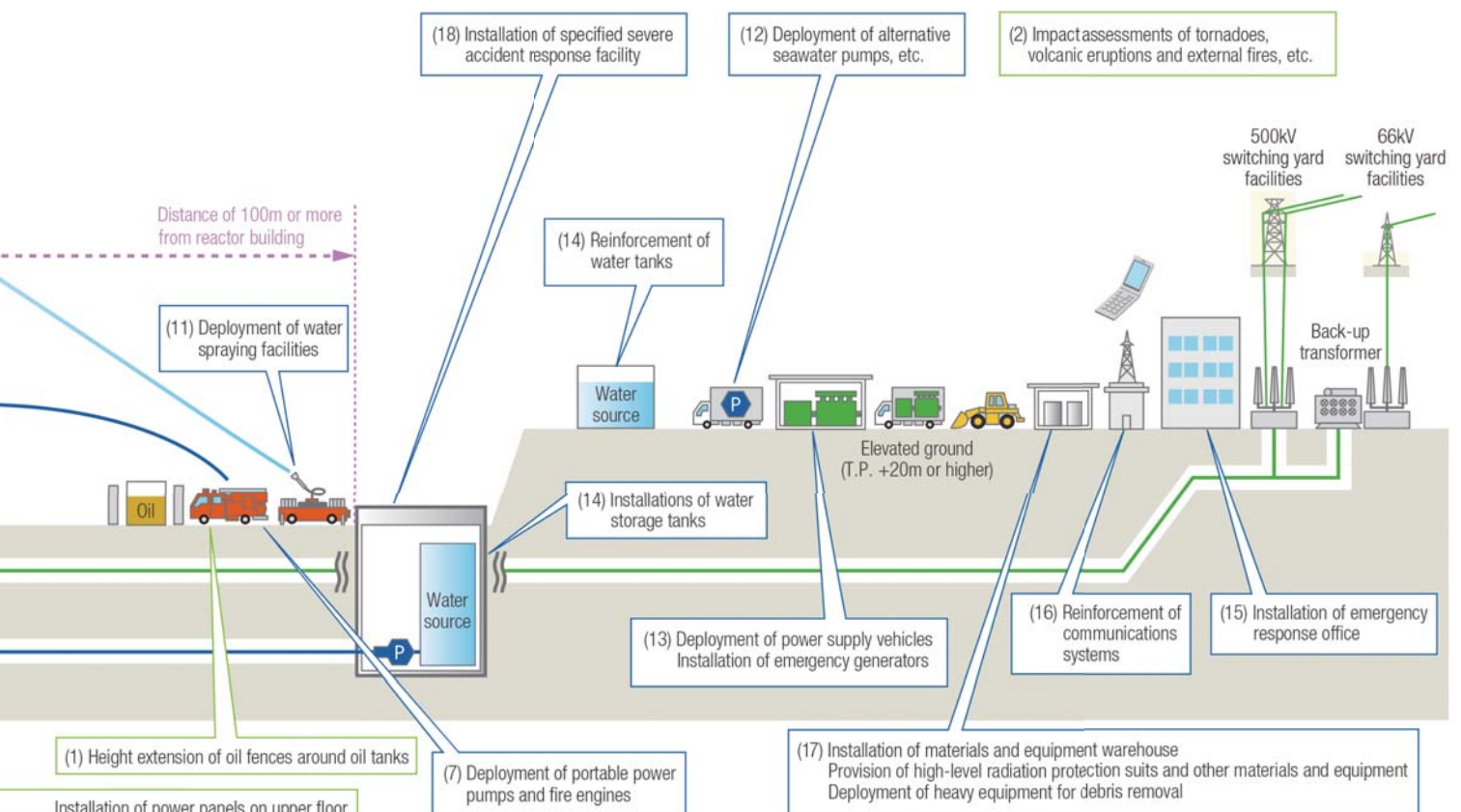
- (7) Deployment of portable power pumps and fire engines for cooling the reactor, containment vessel and spent fuel storage pool
- (8) Reinforcement of permanent water injection equipment for cooling the reactor, containment vessel and spent fuel storage pool
- (9) Installation of filtered containment venting system*¹ to prevent overpressurization on the containment vessel
- (10) Installation of hydrogen detection units and hydrogen discharge venting units*² to prevent hydrogen explosion at the reactor building
- (11) Deployment of water spraying facilities to spray water on the reactor building and other facilities
- (12) Secure inventory of spares of seawater pump electric motors, etc., and deployment of alternative seawater pumps and other equipment to ensure heat removal functionality for the reactor and the containment vessel
- (13) Deployment of power supply vehicles, installation of emergency power generators (fuel tanks and power cables), increased capacity of storage batteries, and enhancement of a permanent DC power source to secure power supply
- (14) Installation of water storage tanks and reinforcement of water tanks to secure water source
- (15) Installation of the emergency response office to respond as necessary in an emergency
- (16) Reinforcement of communications systems for making contact within and outside of the power plant in the event of an emergency
- (17) Installation of materials and equipment warehouse, provision of high-level radiation protection suits and other materials and equipment, and deployment of heavy equipment for debris removal
- (18) Installation of specified severe accident response facility to respond to intentional crash of aircraft and other such events

Aside from the above measures, we will be reinforcing links and collaboration between businesses operating in Aomori Prefecture*³ to further ensure disaster prevention.

*¹ Equipment that discharges gases within the containment vessel into the atmosphere while suppressing emissions of radioactive material in order to prevent rupturing of the containment vessel, in the unlikely event of excessive pressure increase occurring within the reactor containment vessel due to a severe accident.

*² A device that rapidly and securely discharges hydrogen that has been leaked or accumulated to prevent hydrogen detonation within the building in the unlikely event of hydrogen leakage within the reactor building due to a damaged reactor core.

*³ Tohoku Electric Power Company, Tokyo Electric Power Company, J-POWER, Japan Nuclear Fuel Limited, and Recyclable-Fuel Storage Company

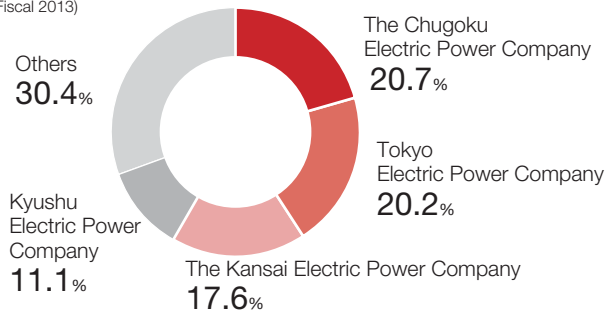




Electric Power Business

Principal Customers of Electric Power Business

(Fiscal 2013)



Tachibanawan Power Plant (Tokushima Prefecture)

Wholesale Electric Power Business (Thermal Power)

Overview of Operations and Salient Features

J-POWER specializes in coal-fired thermal power generation. J-POWER's first coal-fired thermal power plant commenced operations in 1963, in line with Japan's policy at the time of using domestically produced coal. Following the oil shocks of the 1970s, the Company responded to government plans to diversify the mix of power sources, which had been centered on oil-fired power generation. In 1981, J-POWER began operations at the Matsushima Thermal Power Plant, the first in Japan fueled with imported coal. J-POWER went on to develop a series of large-scale thermal power plants—such as those at Matsuura and Tachibanawan—that run on imported coal, increasing the scale of its business. The Company has continued to work to improve power generation efficiency by enhancing steam utilization efficiency and scaling up plants in its efforts to improve competitiveness and decrease environmental impact. Providing an economical and stable baseload source of electricity, J-POWER's coal-fired thermal power plants maintain high load factors.

J-POWER is also involved in geothermal power, and has been operating the Onikobe Geothermal Power Plant in Osaki, Miyagi Prefecture, since 1975.

Most of the earnings of J-POWER's thermal power business are derived from revenues from the sale of electricity to EPCOs and based on electricity supply contracts with each site on a cost basis. The contract rates are calculated based on a fair assumed cost needed for supply plus fair return on capital basis, securing the income needed for business operations and recovering capital invested (for more details, please refer to Rate Structure for Domestic Wholesale Electric Power Business on page 22). The government of Japan is currently working to reform the electricity system (for details, please refer to Electricity System Reform following the Great East Japan Earthquake on page 7). In response to the changes in business conditions resulting from these reforms going forward, J-POWER will flexibly adjust its business structure, working to strengthen competitiveness.

Plans for New Power Plant Development

In terms of new initiatives in coal-fired thermal power business, J-POWER is moving ahead with replacement plans for the Takehara Thermal Power Plant in Hiroshima Prefecture. The plant's No. 1 through 3 units are currently in operation, with a total output of 1,300 MW. The plan calls for replacing the No. 1 unit, a 250 MW facility that commenced commercial operations in July 1967, and the No. 2 unit, a 350 MW facility that went online in June 1974—both of which have thus been in operation for over 40 years—with the New No. 1 unit, a single 600 MW facility employing cutting-edge technology. The environmental impact assessment for the project was concluded in March 2014, and construction has begun. J-POWER aims to bring the new unit online in September 2020.



Rendering of the completed New No. 1 Unit of Takehara Thermal Power Plant

In December 2013, J-POWER and Nippon Steel & Sumitomo Metal Corporation established Kashima Power Co., Ltd. as a joint venture. Under this venture, the Company plans to construct a 650 MW class coal-fired thermal power plant in Ibaraki Prefecture. Environmental impact assessment procedures are now under way, with the aim of commencing operations in 2020.

J-POWER is also advancing the Takasago Thermal Power Plant replacement project in Hyogo Prefecture, to replace existing facilities with large-capacity units employing state-of-the-art technology. Under the plan, the capacity of the present 250 MW No. 1 and No. 2 units will each be upgraded to 600 MW for a total capacity of 1,200 MW. J-POWER began the

environmental impact assessment in July 2014 with the plan of initiating construction in 2018 and commencing commercial operation of the new No. 1 unit in 2021, followed by the No. 2 unit in 2027.

In addition to these coal-fired thermal power initiatives, J-POWER is also conducting the environmental impact assessment for the Wasabizawa Geothermal Power Plant, a joint venture with Mitsubishi Materials Corporation and Mitsubishi Gas Chemical Company, Inc., as preparation for construction of the plant. To be located in Yuzawa, Akita Prefecture, once constructed, this plant will be the Company's second geothermal power plant.

J-POWER's Coal-Fired Power Plants in Japan

(As of March 31, 2014)

Power Plants		Beginning of Operation	Location	Maximum Capacity (kW)
Isogo	New No. 1	2002	Kanagawa Prefecture	600,000
	New No. 2	2009		562,000*4
Takasago	No. 1*1	1968	Hyogo Prefecture	250,000
	No. 2*1	1969		250,000
Takehara	No. 1*2	1967	Hiroshima Prefecture	250,000
	No. 2*2	1974*3		350,000
	No. 3	1983		700,000
Tachibanawan	No. 1	2000	Tokushima Prefecture	1,050,000
	No. 2	2000		1,050,000
Matsushima	No. 1	1981	Nagasaki Prefecture	500,000
	No. 2	1981		500,000
Matsuura	No. 1	1990	Nagasaki Prefecture	1,000,000
	No. 2	1997		1,000,000
Ishikawa Coal	No. 1	1986	Okinawa Prefecture	156,000
	No. 2	1987		156,000
Total				8,374,000

*1 The existing No. 1 and No. 2 units are scheduled to be replaced by higher capacity, 600 MW thermal power generation units in 2021 and 2027, respectively.

*2 The plan calls for the two existing units to have been replaced by a single coal-fired thermal power facility with the same large-scale 600 MW capacity by around 2020.

*3 Converted from heavy oil-fueled boiler to coal-fueled fluidized boiler in 1995

*4 The Isogo New No. 2 thermal power plant is operating at an output of 562 MW, down from 600 MW, due to the breakage of a rotating blade in a low-pressure turbine in December 2012.

J-POWER's Geothermal Power Plant in Japan

(As of March 31, 2014)

Power Plants	Beginning of Operation	Location	Maximum Capacity (kW)
Onikobe	1975	Miyagi Prefecture	15,000

Developing Next-Generation Coal-Fired Thermal Power Generation Technology and Low-Carbon Technology

J-POWER is working to establish next-generation coal-fired thermal power technology by developing integrated coal gasification combined cycle (IGCC and IGFC) and CO₂ capture and storage (CCS) technologies. Since fiscal 2002, J-POWER has been engaged in the EAGLE*5 project in collaboration with the New Energy and Industrial Technology Development Organization (NEDO), aimed at establishing technology to realize oxygen-blown IGCC.

Employing insights and results gleaned from the EAGLE project, the Company has since been engaged in the Osaki CoolGen Project in collaboration with Chugoku Electric Power Co., Inc. Under this project, the construction of a 166 MW oxygen-blown IGCC demonstration plant (with a coal processing capacity of 1,180 tons per day) commenced in March 2013, and trials are slated to begin in fiscal 2016. Testing of the latest CO₂ separation and capture technologies is planned to begin

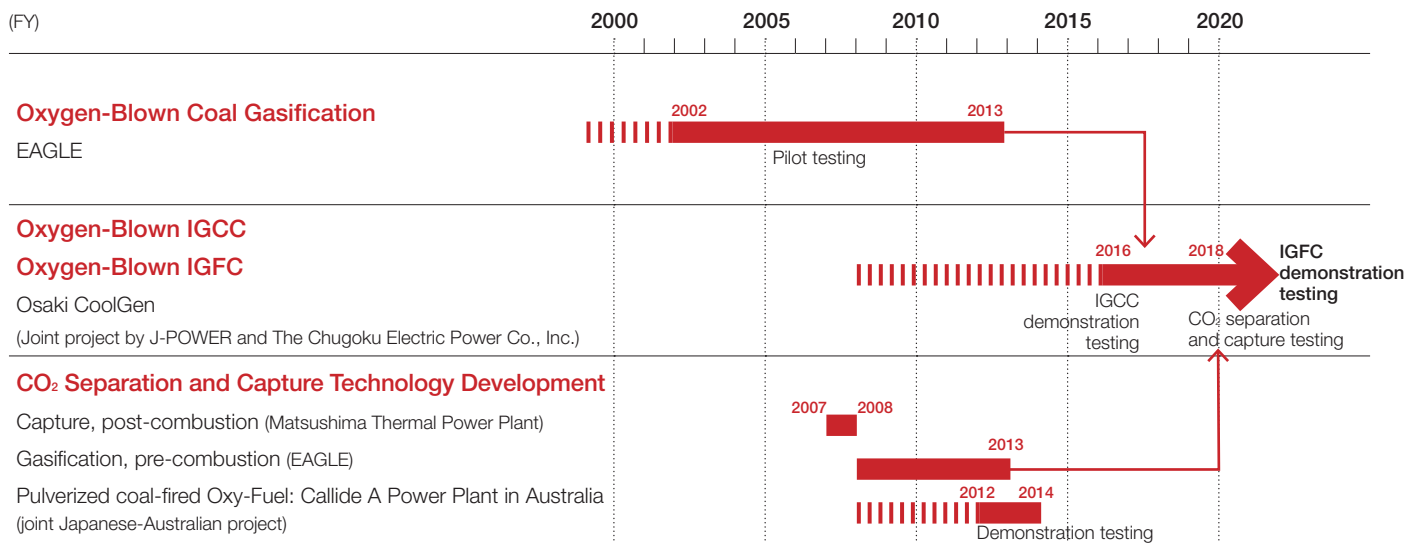
*5 EAGLE: An oxygen-blown coal gasification project being conducted at the Wakamatsu Research Institute. The acronym is taken from Coal Energy Application for Gas, Liquid, & Electricity.

in 2018, after which the Company aims to develop IGFC*2 technology, combining oxygen-blown IGCC*1 with fuel cells.

J-POWER's other initiatives to reduce carbon emissions include collaboration with Mitsubishi Heavy Industries, Ltd. in conducting pilot trials related to the development of CO₂ separation and capture technology from fiscal 2007 to 2008 at the

Matsushima Thermal Power Plant in Sakai, Nagasaki Prefecture. Additionally, at the Callide A Power Plant in Queensland, Australia, J-POWER is currently taking part in the world's first trials of an integrated process of Oxy-Fuel and CCS at a real power plant as part of a public-private, Japanese-Australian joint project.

New Technology Development Schedule for Coal-Fired Thermal Power Generation at J-POWER



Coal-Fired Power Technology for the Next Generation

Gasifier	Diagram	Gross efficiency (HHV):	CO ₂ reduction: (compared with latest coal-fired)
Pulverized coal-fired (USC*3)	<p>Latest coal-fired (USC) A-USC/700°C-class</p>	41%	
Integrated coal gasification combined cycle (1,500°C-class)		46%	Approx. 11%
Integrated coal gasification fuel cell combined cycle		46~48%	Approx. 11%~15%
		55% or more	Approx. 25% or more

*1 Integrated Coal Gasification Combined Cycle (IGCC): An integrated power generation system with a twin-turbine configuration; the gas produced from burning coal is used as fuel to drive a gas turbine, the exhaust gases from which are used in a steam turbine

*2 Integrated Coal Gasification Fuel Cell Combined Cycle (IGFC): A coal-fired power generation highly efficient system combining fuel cells with gas and steam turbines in a triply integrated power generation configuration

*3 Ultra-Supercritical (USC): Current cutting-edge technology for raising the efficiency of pulverized coal-fired thermal power. Utilizes a steam pressure of 22.1 MPa or greater with a steam temperature of over 566°C

Wholesale Electric Power Business (Hydroelectric Power)

Overview of Operations and Salient Features

J-POWER boasts a track record in the building and operation of hydroelectric power plants that extends back more than half a century. The Sakuma Power Plant began operations in 1956 in a bid to solve postwar power shortages, and was the first of the many large-scale conventional hydroelectric power plants that J-POWER has developed. Subsequently, from the 1970s onward, the Company developed large-scale pumped storage hydroelectric power plants, such as that at Shintoyone.

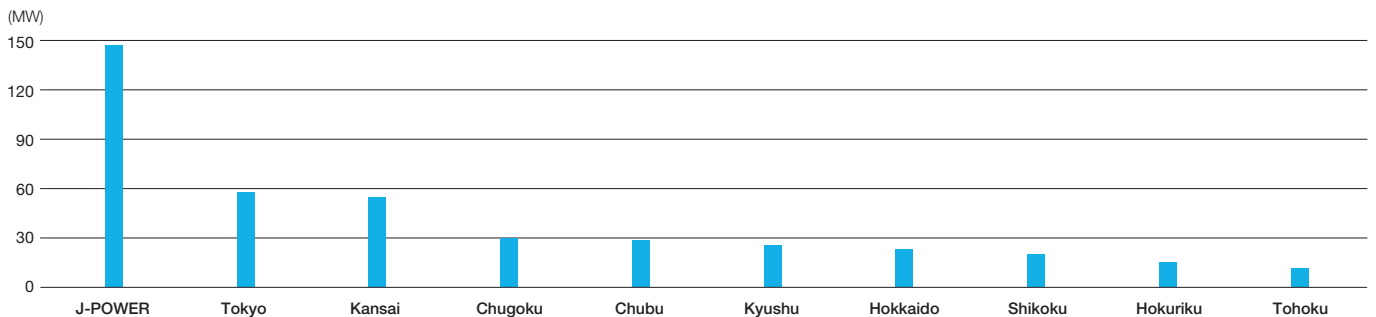
A salient feature of J-POWER's hydroelectric power plants is the large capacity of each unit. Through its mainstay conventional hydroelectric power plants and pumped storage plants built at rivers with an abundant volume of water, the Company contributes to the power supply around the country. Because hydroelectric power plants are capable of changing output extremely quickly to respond to demand fluctuation, they are used to cover peak demand in daily and seasonal supply-demand balancing in Japan's grid. Furthermore, hydroelectric power represents a valuable domestic energy resource and, as

a CO₂-free power source, plays a central role in renewable energy. Having developed its hydroelectric power business over a period spanning many years, J-POWER responds appropriately to natural disasters and to the problems caused, for example, by sediment deposits that accumulate in dam reservoirs. While continuing efficient maintenance and management of power plants, the Company strives to ensure stable and long-term operation of its hydroelectric power stations.

Fixed rates are applied for most of the power supplied by J-POWER's conventional facilities and 100% of its pumped-storage facilities. J-POWER sells hydroelectric power on a cost basis to EPCOs under supply contracts for each water system or plant, thereby securing the income needed for business operations and recovering invested capital (for more details, please refer to Rate Structure for Domestic Wholesale Electric Power Business on page 22).

Average Generation Capacity per Hydroelectric Power Plant of J-POWER and EPCOs

(As of March 31, 2014)



Source: Reports issued by the Agency for Natural Resources and Energy



Okutadami Power Plants (Fukushima Prefecture)



Okukiyotsu Power Plants (Niigata Prefecture)



Sakuma Power Plants (Shizuoka Prefecture)



Tagokura Power Plants (Fukushima Prefecture)

Comprehensive Renewal and New Construction of Power Plants

J-POWER is undertaking the comprehensive renewal of its main power generating machinery in hydroelectric power plants that have been in operation for a long time. This move is designed to not merely extend the operating lives of power plants and improve their reliability, but also to improve capacity and power generated through optimal design utilizing the latest technologies.

In Oshu, Iwate Prefecture, as part of the Ministry of Land, Infrastructure, Transport and Tourism's Isawa Dam project,

construction of the Isawa No. 1 Hydroelectric Power Plant (output: 14,200 kW) began in February 2011 to replace a power plant that had been in operation for about 60 years. The new plant began operations in July 2014. In addition, we are moving ahead with the construction of a small-scale (470 kW) hydroelectric power plant that uses river maintenance flow at the Kuttari dam in Hokkaido.

J-POWER's Major Hydroelectric Power Plants in Japan

(As of March 31, 2014)

Power Plants	Beginning of Operation	Location	Maximum Capacity (kW)	Type
Shimogo	1988	Fukushima Prefecture	1,000,000	Dam conduit type, genuine pumped storage
Okutadami	1960	Fukushima Prefecture	560,000	Dam conduit type
Otori	1963	Fukushima Prefecture	182,000	Dam type
Tagokura	1959	Fukushima Prefecture	400,000	Dam type
Tadami	1989	Fukushima Prefecture	65,000	Dam type
Taki	1961	Fukushima Prefecture	92,000	Dam type
Kuromatagawa No. 1	1958	Niigata Prefecture	61,500	Dam conduit type
Okukiyotsu	1978	Niigata Prefecture	1,000,000	Dam conduit type, genuine pumped storage
Okukiyotsu No. 2	1996	Niigata Prefecture	600,000	Dam conduit type, genuine pumped storage
Numappara	1973	Tochigi Prefecture	675,000	Dam conduit type, genuine pumped storage
Misakubo	1969	Shizuoka Prefecture	50,000	Dam conduit type
Shintoyone	1972	Aichi Prefecture	1,125,000	Dam conduit type, genuine pumped storage
Sakuma	1956	Shizuoka Prefecture	350,000	Dam conduit type
Miboro	1961	Gifu Prefecture	215,000	Dam conduit type
Miboro No. 2	1963	Gifu Prefecture	59,200	Dam conduit type
Nagano	1968	Fukui Prefecture	220,000	Dam conduit type, genuine pumped storage
Yugami	1968	Fukui Prefecture	54,000	Dam conduit type
Tedorigawa No. 1	1979	Ishikawa Prefecture	250,000	Dam conduit type
Totsugawa No. 1	1960	Nara Prefecture	75,000	Dam conduit type
Totsugawa No. 2	1962	Wakayama Prefecture	58,000	Dam conduit type
Ikehara	1964	Nara Prefecture	350,000	Dam conduit type, genuine pumped storage
Nanairo	1965	Wakayama Prefecture	82,000	Dam conduit type
Futamata	1963	Kochi Prefecture	72,100	Dam conduit type
Sendaigawa No. 1	1965	Kagoshima Prefecture	120,000	Dam type

Note: Includes power plants with maximum output of 50,000 kW or more

Wholesale Electric Power Business (Power Transmission/Transformation)

Overview of Operations and Salient Features

As a wholesale supplier of electric power operating a wide array of power supplies, J-POWER owns and operates approximately 2,400 kilometers of power transmission lines and eight substations and converter stations throughout Japan. In addition to transmitting electric power generated by its own power stations to demand areas, J-POWER supports part of the grid of Japan's power companies and coordinates between the different regional power companies, fulfilling a major role in the overall regionally based operation of Japan's entire power system.

In particular, we operate critical facilities that support the wide-area power interchange in Japan, such as interconnecting lines (Kitahon HVDC Link, Honshi Interconnecting Line, Anan-Kihoku HVDC Link, and Kanmon Interconnecting Line) connecting Honshu with Hokkaido, Shikoku, and Kyushu as well as the Sakuma Frequency Converter Station, which enables the use of electricity across the different frequencies of eastern Japan (50 Hz) and western Japan (60 Hz). J-POWER's power transmission/transformation facilities contributed to alleviating the tight regional electricity supply-demand balances that followed the Great East Japan Earthquake. The Company

will maintain facility reliability and focus efforts on ensuring stable operations.

J-POWER also maintains a communications network throughout Japan, which is used for facility protection, monitoring, and control as well as operational management to contribute to the stable operation of the power plants and the power grid.



Sakuma Frequency Converter Station

Major Transmission Lines (As of March 31, 2014)

Transmission Lines	Beginning of Operation	Location	Total Lines	Voltage
Tokachi Trunk Line	1956	Hokkaido Prefecture	214.4 km	187 kV
Kitahon HVDC Link	1979	Hokkaido Prefecture – Aomori Prefecture	167.4 km	DC±250 kV
Tadami Trunk Line	1959	Fukushima Prefecture – Tokyo Metropolitan Area	216.2 km	275 kV-500 kV
Sakuma East Trunk Line	1956	Shizuoka Prefecture – Tokyo Metropolitan Area	197.2 km	275 kV
Sakuma West Trunk Line	1956	Shizuoka Prefecture – Aichi Prefecture	107.7 km	275 kV
Miboro Trunk Line	1960	Gifu Prefecture – Aichi Prefecture	108.6 km	275 kV
Nahari Trunk Line	1960	Kochi Prefecture – Ehime Prefecture	119.9 km	187 kV
Honshi Interconnecting Line	1994	Kagawa Prefecture – Okayama Prefecture	127.0 km	500 kV
Anan-Kihoku HVDC Link	2000	Tokushima Prefecture – Wakayama Prefecture	99.8 km	DC±250 kV
Kanmon Interconnecting Line	1980	Fukuoka Prefecture – Yamaguchi Prefecture	64.2 km	500 kV

Substations (As of March 31, 2014)

Substation	Beginning of Operation	Location	Output
Minami Kawagoe	1959	Saitama Prefecture	1,542,000 kVA
Nishi Tokyo	1956	Tokyo Metropolitan Area	1,350,000 kVA
Nagoya	1956	Aichi Prefecture	1,400,000 kVA
Isawa	2012	Iwate Prefecture	9,000 kVA

Frequency Converter Station (As of March 31, 2014)

Frequency Converter Station	Beginning of Operation	Location	Output
Sakuma	1965	Shizuoka Prefecture	300,000 kW

AC/DC Converter Stations (As of March 31, 2014)

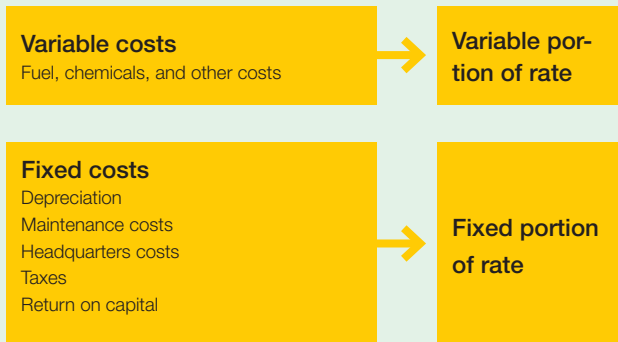
AC/DC Converter Station	Beginning of Operation	Location	Output
Hakodate	1979	Hokkaido Prefecture	600,000 kW
Kamikita	1979	Aomori Prefecture	600,000 kW
Kihoku	2000	Wakayama Prefecture	1,400,000 kW
Anan	2000	Tokushima Prefecture	1,400,000 kW

Rate Structure for Domestic Wholesale Electric Power Business

J-POWER calculates contract rates for the wholesale electric power business and its electric power transmission services on a fair assumed cost plus fair return on capital basis.

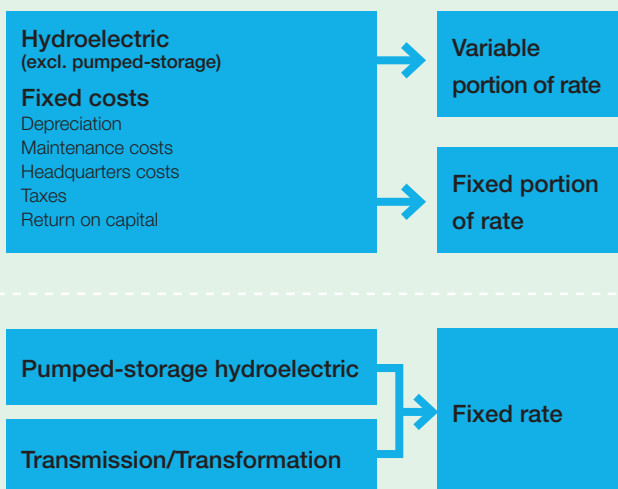
Individual rates are contracted with power companies and producers based on costs calculated by the plant or water system, for each type of plant. Our rate includes both a fixed and a variable portion.

Thermal Power Generation



Regarding contract rates for thermal power facilities, fuel costs, and other variable costs comprise a high weighting of total costs, and maintenance and operating costs fluctuate greatly from year to year. We therefore adjust rates every two years (every year for the portion corresponding to coal costs if there are substantial price fluctuations). Variable costs such as fuel costs are incorporated into the variable portion of the rate, reflecting the amount of electricity supplied. Rates are also adjusted every quarter to offset the effects of actual fluctuations in fuel cost associated with exchange rates used in fuel procurement and with changes in heavy/light oil prices. The fixed portion of the rate consists of the fixed portion of expenses other than variable expenses. The fixed portion of the rate includes depreciation, return on capital, repair costs, and other maintenance and operating costs. Unless otherwise impacted by an increase in maintenance and operating costs or major investment in plant facilities, the fixed portion of the rate generally has been decreasing due to the progressive depreciation of facilities and reductions in expenses, such as interest expense in recent years.

Hydroelectric Power Generation and Power Transmission/Transformation



With regard to rates for hydroelectric power and transmission, substation facilities, depreciation, return on capital, and other fixed costs comprise a large weighting of total costs, so contract rates are not subject to regular revision, which ensures long-term rate stability. Revisions may be conducted based on negotiations with electric power companies if substantial changes take place in economic conditions (interest rates, prices, etc.) or business conditions (deregulation, etc.). Contract rates for hydroelectric power facilities, excluding pumped-storage, are comprised of a fixed portion of the rate, which accounts for approximately 80% of the contract rate and a variable portion of the rate reflecting the amount of electricity supplied, which accounts for the remaining approximately 20%. The 20% portion increases and decreases depending on water supply rates but this does not have a substantial impact. Contract rates for pumped storage hydroelectric power and transmission are based entirely on the fixed portion of the rate.

Other Electric Power Business (IPPs, for PPSs, and Wind Power)

Overview of Operations and Salient Features

Through subsidiaries and affiliates, J-POWER operates independent power producers (IPPs) that supply wholesale electricity to EPCOs, supplies wholesale electricity for PPSs and engages in wind power operations.

IPPs

The wholesale of electricity to EPCOs through IPPs was systemized by the 1995 revision to the Electricity Business Law. Now, J-POWER owns and operates three thermal power IPP facilities with a total capacity of 522 MW (owned capacity: 270 MW), through which it supplies wholesale electric power to EPCOs.

Thermal Power Generation for Power Producers and Suppliers

The electric power retail sector was partially deregulated by the 1999 revision to the Electricity Business Law, allowing power producers and suppliers (PPSs) to enter the market starting in 2000. The Company currently owns and operates three gas-fired thermal power plants in the Tokyo Bay area, with a total capacity of 322 MW (owned capacity: 278 MW), and supplies wholesale electric power to PPSs

Wind Power Generation

J-POWER is a pioneer in the wind power generation business in Japan, having commenced operations at its first wind farm in 2000. Since then, the Company has steadily expanded this business and today owns 19 wind farms (220 units) around the country, with a total output capacity of 381 MW (owned capacity: 368 MW), making it the second largest wind power

producer in the country. Drawing on its many years of experience, expertise, and technologies in the building, operation, and maintenance of power stations and transmission lines, the J-POWER Group has created a system that covers the full gamut of the wind power business, from surveys of wind conditions to wind farm design, construction, and operation and maintenance (O&M). Leveraging its diverse experience, J-POWER is making its O&M systems more efficient while working to improve utilization rates and enhance profitability. The feed-in tariff system took effect in 2012, and J-POWER has acquired facility accreditation under the system for both new and existing wind power facilities.

New Site Development and Offshore Wind Power Initiatives

In initiatives to develop new supply capacity, J-POWER began operation of a 28 MW wind farm in Hokkaido in March 2014. The Group is constructing a new 21.6 MW wind power farm in Ehime Prefecture and continuously seeking locations suitable for new facilities to steadily develop new projects going forward.

Furthermore, between fiscal 2009 and fiscal 2014, J-POWER has been conducting experimental studies into an offshore wind observation system off the coast of Kita-Kyushu in Fukuoka Prefecture on behalf of the New Energy and Industrial Technology Development Organization (NEDO). From fiscal 2011 to fiscal 2014, the Company has been advancing experimental studies into an embedded offshore wind power generation system jointly with NEDO. J-POWER is working toward making offshore wind power commercially viable in the years to come.



Bayside Energy Ichihara (Chiba Prefecture)



Koriyama-Nunobiki Kogen Wind Farm (Fukushima Prefecture)

IPPs

(As of March 31, 2014)

Plant Name	Operating Companies	Location	Capacity (kW)	Fuel Type	Ownership*1	Completion Date*2
Genex Mizue	GENEX Co., Ltd.*3	Kanagawa Prefecture	238,000	Gas Oil Residue	40% TOA Oil Co., Ltd.	2003
Itoigawa	ITOIGAWA POWER Inc.	Niigata Prefecture	134,000	Coal	80% TAIHEIYO CEMENT CORPORATION	2001 (2003)
Tosa	TOSA POWER Inc.*3	Kochi Prefecture	150,000	Coal	45% Shikoku Electric Power Co., Inc. 35% TAIHEIYO CEMENT CORPORATION 20%	2005
Subtotal			522,000			

Wholesale Power for PPSs

Plant Name	Operating Companies	Location	Capacity (kW)	Fuel Type	Ownership*1	Completion Date*2
Ichihara Power	Ichihara Power Co., Ltd.	Chiba Prefecture	110,000	Gas*4	60% Mitsui Engineering & Shipbuilding Co., Ltd. 40%	2004
Bayside Energy Ichihara	Bay Side Energy Co., Ltd.	Chiba Prefecture	107,650	Gas*4	100%	2005
Mihama Seaside Power Shinminato	Mihama Seaside Power Co., Ltd.*4	Chiba Prefecture	104,770	Gas*4	100%	2005
Subtotal			322,420			

*1 Name of joint venture *2 Date of investment participation by J-POWER *3 Companies accounted for by the equity method *4 Generation method: combined cycle

Wind Power Project List

(As of March 31, 2014)

Wind Power Farms/Plants	Operating Companies	Location	Number of Wind Turbines	Capacity (kW)	Ownership	Completion Date*5
Sarakitomanai Wind Farm	Sarakitomanai Wind Power Co., Ltd.	Hokkaido Prefecture	(9)	14,850	100%	2001 (2009)
Tomamae Winvilla Wind Farm	J-Wind Co., Ltd.	Hokkaido Prefecture	(19)	30,600	100%	2000
Shimamaki Wind Farm	J-Wind Co., Ltd.	Hokkaido Prefecture	(6)	4,500	100%	2000 (2009)
Setana Seaside Wind Power Farm	J-Wind Co., Ltd.	Hokkaido Prefecture	(6)	12,000	100%	2005
Kaminokuni Wind Farm	J-Wind Co., Ltd.	Hokkaido Prefecture	(12)	28,000	100%	2014
Green Power Kuzumaki Wind Farm	J-Wind Co., Ltd.	Iwate Prefecture	(12)	21,000	100%	2003
Nikaho Kogen Wind Farm	Nikaho-Kogen Wind Power Co., Ltd.	Akita Prefecture	(15)	24,750	67%	2001
Koriyama-Nunobiki Kogen Wind Farm	J-Wind Co., Ltd.	Fukushima Prefecture	(33)	65,980	100%	2007
Hiyama Kogen Wind Farm	J-Wind Co., Ltd.	Fukushima Prefecture	(14)	28,000	100%	2011
Tokyo Bayside Wind Power Plant	J-Wind Co., Ltd.	Tokyo Metropolitan Area	(2)	1,700	100%	2003
Irouzaki Wind Farm	J-Wind Co., Ltd.	Shizuoka Prefecture	(17)	34,000	100%	2010
Tahara Bayside Wind Farm	J-Wind Co., Ltd.	Aichi Prefecture	(11)	22,000	100%	2005
Tahara Wind Farm	J-Wind Co., Ltd.	Aichi Prefecture	(1)	1,980	100%	2004
Awara-Kitagata Wind Farm	J-Wind Co., Ltd.	Fukui Prefecture	(10)	20,000	100%	2011
Yokihino Sato Wind Park	J-Wind Co., Ltd.	Yamaguchi Prefecture	(3)	4,500	100%	2003 (2009)
Nagasaki-Shikamachi Wind Farm	Nagasaki-Shikamachi Wind Power Co., Ltd.	Nagasaki Prefecture	(15)	15,000	70%	2005
Aso-Nishihara Wind Farm	Green Power Aso Co., Ltd.	Kumamoto Prefecture	(10)	17,500	100%	2005
Aso-Oguni Wind Farm	Green Power Aso Co., Ltd.	Kumamoto Prefecture	(5)	8,500	100%	2007 (2009)
Minami Oosumi Wind Farm	Minami Kyushu Wind Power Co., Ltd.	Kagoshima Prefecture	(20)	26,000	99%	2003 (Nejime) (2009) 2004 (Sata) (2009)
Total			(220)	380,860		
Zajaczkowo Wind Farm	Zajaczkowo Windfarm Sp. zo. o.	Poland	(24)	48,000	50%	2008
Total including overseas			(244)	428,860		

*5 Figures in () are the years when the Company purchased its current holdings of shares from other companies.



Electric Power-Related Business

Overview of Operations and Salient Features

J-POWER operates electric power-related businesses that support the smooth and efficient implementation of its electric power business. Specifically, these businesses are required for the operation of power generation, transmission, and transformation facilities and include businesses undertaking the

design, construction, inspection and maintenance of those facilities; importing coal; and transporting coal using the Company's vessels. J-POWER conducts the maintenance of the power-generation facilities of its domestic wholesale electric power business in close partnership with its subsidiaries.

Coal Procurement

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

The global supply and demand of coal can vary greatly due to demand from developing countries, including China and India,

trends related to energy resources other than coal, such as liquefied natural gas (LNG), and other geopolitical factors. In view of this situation, J-POWER is expanding its upstream presence with respect to the ownership of coal mines and securing diversified procurement sources to stably procure coal as fuel for thermal power generation over the long term.



Coal Mining Projects

(As of March 31, 2014)

Mine Name	Location	Loading Port	Production Volume 2013 ^{*1}	Investment Ratio ^{*2}	Commercial Production
Clermont	Queensland	Dalrymple Bay	12 million t (Approx. 12 million t/yr)	15%	2010
Narrabri	New South Wales	Newcastle	4.98 million t (Approx. 6 million t/yr)	7.5%	2010
Maules Creek	New South Wales	Newcastle	— (Approx. 10.7 million t/yr)	10%	2015 (planned)

^{*1} The production volumes in parentheses represent figures for anticipated peak production.

^{*2} Investment through a subsidiary, J-POWER AUSTRALIA PTY., LTD.

Note: The Blair Athol Coal Mine in which the J-POWER Group holds a 10% stake finished production in 34 November 2012.



Overseas Business

Overview of Operations and Salient Features

J-POWER has been involved in the overseas consulting business since 1960. Over the many years since, it has undertaken consulting business around the world, including for environmental impact assessments, the adoption of desulfurization, denitrification, and other environmental technologies in coal-fired thermal power generation, and the planning, design, and construction supervision of thermal and hydroelectric power and power transmission projects.

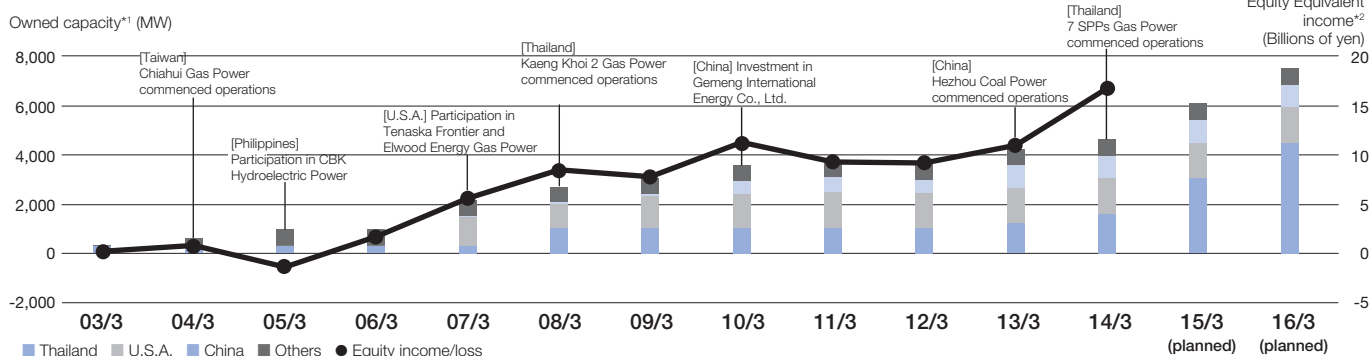
Amid ongoing deregulation of electric power industries around the world, J-POWER established a dedicated in-house organization in 1997 and commenced activities that would lead to the development of an overseas power generation business that participates in projects by investing capital and technologies in overseas markets where ongoing strong demand is expected.

At first, the focus was on participation based on a model of partial involvement in the building and operation of power

plants through comparatively small-scale capital investment. Amid intense competition, the Company steadily built up its experience and track record and expanded its business participation to include major capital investment and greenfield projects. In 2005, J-POWER established a subsidiary in the United States and commenced full-scale business development. In 2007, J-POWER initiated operations at a large-scale gas combined cycle power plant in Thailand, and in 2013 expanded its operations in that country further, bringing seven 100 MW class gas-fired thermal power plants online as SPP projects.

As of March 2014, this gradual approach has raised to 4,649 MW the owned capacity of the Group's 35 operational plants in its overseas power generation business, which includes plants in seven countries and regions, including Thailand, the United States, China, Taiwan, and the Philippines.

Owned Capacity*1 (Operating) and Equity Equivalent Income of Overseas Power Generation Business*2



*1 Owned capacity (left): Output is calculated by the total project capacity multiplied by J-POWER's equity ratio, and this is the amount recorded for the fiscal year-end.
 *2 Equity equivalent income: The total of equity income of affiliates and consolidated project income. Out of which consolidated project income is the total of income after tax for each consolidated project company in commercial operation multiplied by capital investment ratio of the company. The sum of equity income of affiliates and consolidated project income do not correspond to segment data. To indicate the actual status of equity equivalent income for the fiscal year ended March 31, 2014, foreign exchange gains and losses are deducted.

Project Development at a Consolidated Subsidiary in Thailand

Through consolidated subsidiaries, J-POWER is advancing the development of projects in Thailand. Specifically, the Group has been operating the aforementioned seven 100 MW class gas-fired thermal power plants (the 7 SPP project) established in line with the Thai government's SPP program since 2013 and is currently working on the Nong Saeng IPP project and the U-Thai IPP project, two large-scale gas-fired IPP plants (1,600 MW each). Long-term power purchase agreements (PPAs) have been signed for the 7 SPPs with the Electricity Generating Authority of Thailand (EGAT), under which they will supply electricity to EGAT for 25 years. In addition, they are

supplying steam and cold water to companies in the industrial park. The Nong Saeng IPP project and the U-Thai IPP project are scheduled to go online in 2014 and 2015, respectively (the No. 1 unit at the Nong Saeng plant commenced operations on June 1, 2014). Long-term 25-year power purchase agreements have also been signed with EGAT for these IPP projects. Through the operating companies for these nine projects, of which J-POWER is the major investor through its local Thai subsidiary, the Company sets up project finance and conducts construction, operation, and maintenance.



NK2 (Thailand)



Nong Saeng (Thailand)

Overviews of New Projects in Thailand (As of June 30, 2014)

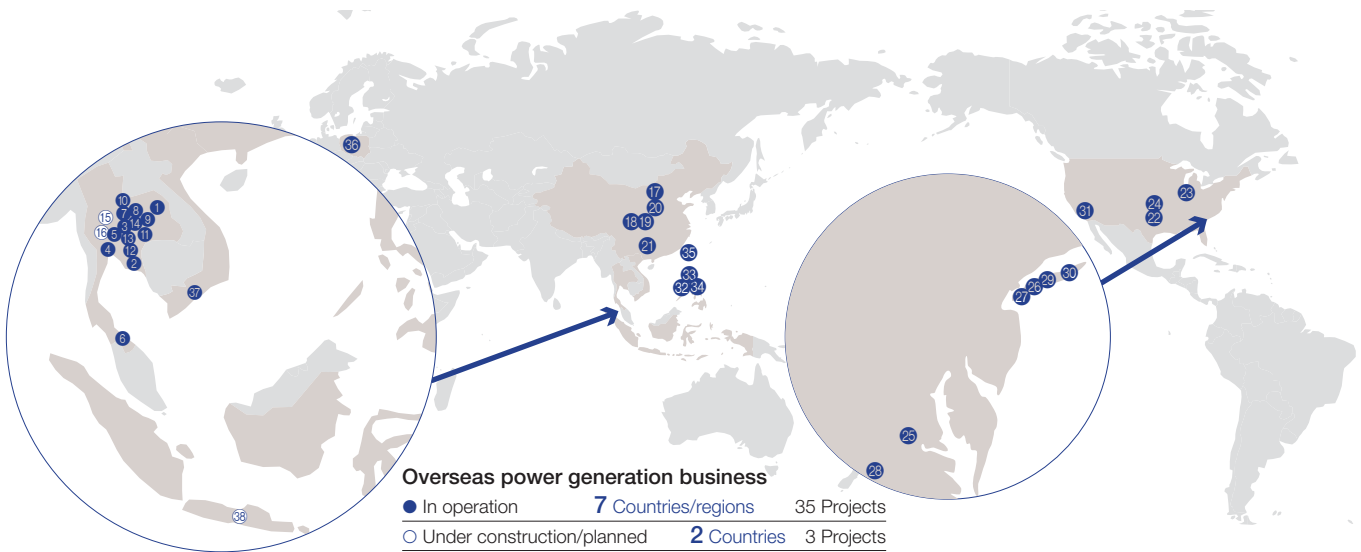
Project Name	Overview	Schedule
7 SPPs*1 Output: Total 790 MW (110 MW×5) (120 MW×2) Type: CCGT*3	<ul style="list-style-type: none"> Projects based on the SPP Program*1 of the Thai Government Development of seven 100 MW class cogeneration power plants Sale of electricity to EGAT and customers in the vicinity for a period of 25 years (steam and cold water also provided to nearby customers) J-POWER holds a 90% stake in 6 plants and a 67.5% stake*2 in one plant. 	Nov. 2009 Power purchase agreements (PPAs) signed Oct. 2010 Financing agreement signed Jan. 2013 Commenced operation of the first of the seven projects Oct. 2013 Commenced operation of the last of the seven projects
Nong Saeng IPP Output: 1,600 MW (800 MW×2) Type: CCGT*3	<ul style="list-style-type: none"> Sale of electricity to EGAT for 25 years from the commencement of operations 	Dec. 2007 Won by tender following international competitive bidding process Oct. 2008 PPA signed Nov. 2011 Financing agreement signed June 2014 No. 1 commenced operation Dec. 2014 No. 2 planned operation commencement
U-Thai IPP Output: 1,600 MW (800 MW×2) Type: CCGT*3	<p style="text-align: center;">Scheme Diagram</p> <pre> graph TD JP["J-POWER (90%)"] --> GJPC["Gulf JP Co., Ltd."] LP["Local Partner (10%)"] --> GJPC GJPC --> OC["Operating Companies (100%)"] EPC["EPC contractors"] <--> OC Bank["Bank syndicates"] <--> OC PTT["PTT (Gas Supply Agreement)"] <--> OC EGAT["EGAT (PPAs)"] <--> OC </pre>	Dec. 2007 Won by tender following international competitive bidding process Oct. 2008 PPA signed Oct. 2012 Financing agreement signed June 2015 No. 1 planned operation commencement Dec. 2015 No. 2 planned operation commencement

*1 SPP (Small Power Producers) program: The long-term power purchase scheme established by the Thai Government. This scheme promotes cogeneration systems, renewable energy, and so forth, and aims at reducing the import and use of fuel oil. EGAT guarantees the purchase of electricity generated from eligible suppliers up to 90 MW of capacity.

*2 As for the NLL project of the 7 SPP Projects, a part of its stake was sold to an operating company of its industrial park on January 2013.

*3 CCGT: Combined Cycle Gas Turbine

J-POWER's Participation in Overseas Power Generation Projects (As of March 31, 2014)



Current Status	Project Name	Electricity Generation Source	Output Capacity (MW)	Ownership	Power Purchaser	Validity of Purchase Agreement
Thailand						
In operation	① Roi-Et	Biomass (Chaff)	10	24.7%	Electricity Generating Authority of Thailand	Valid to 2024
	② Rayong	Gas (Combined Cycle)* ¹	112	20%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2024
	③ Gulf Cogeneration (Kaeng Khoi)	Gas (Combined Cycle)* ¹	110	49%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2019
	④ Samutprakarn	Gas (Combined Cycle)* ¹	117	49%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2020
	⑤ Nong Khae	Gas (Combined Cycle)* ¹	120	49%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2021
	⑥ Yala	Biomass (Rubber Wood Waste)	20	49%	Electricity Generating Authority of Thailand	Valid to 2031
	⑦ Kaeng Khoi 2	Gas (Combined Cycle)	1,468	49%	Electricity Generating Authority of Thailand	Valid to 2033
	⑧ KP1 ²	Gas (Combined Cycle)* ¹	110	90%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2038
	⑨ KP2 ²	Gas (Combined Cycle)* ¹	110	90%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2038
	⑩ TLC ²	Gas (Combined Cycle)* ¹	110	90%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2038
	⑪ NNK ²	Gas (Combined Cycle)* ¹	110	90%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2038
	⑫ NLL ²	Gas (Combined Cycle)* ¹	120	67.5%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2038
	⑬ CRN ²	Gas (Combined Cycle)* ¹	110	90%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2038
	⑭ NK2 ²	Gas (Combined Cycle)* ¹	120	90%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2038
Subtotal 14 projects			2,747 (Owned: 1,608 MW)			
Under construction	⑮ Nong Saeng	Gas (Combined Cycle)	1,600	90%	Electricity Generating Authority of Thailand	Valid to 2039
	⑯ U-Thai (formerly Samet Tai)	Gas (Combined Cycle)	1,600	90%	Electricity Generating Authority of Thailand	Valid to 2040

*1 Co-generation facilities that make use of waste heat resulting from power generation
 *2 7SPP projects commenced operation in 2013



Hezhou Power Plant (China)



Green Country (U.S.A.)

Current Status	Project Name	Electricity Generation Source	Output Capacity (MW)	Ownership	Power Purchaser	Validity of Purchase Agreement	
China							
In operation	17	Tianshi	Coal Waste	50	24%	Shanxi Province Power Corporation	Renewed for 1 year*4
	18-19	Hanjiang (Xihe/Shuhe)	Hydroelectric	450	27%	Shaanxi Electric Power Company	Renewed for 1 year*4
	20	Gemeng*3	Mainly Coal	5,923	7%	Shanxi Province Power Corporation	—
	21	Hezhou	Coal	2,090	17%	Guanxi Power Grid Co.	Renewed for 1 year*4
	Subtotal 5 projects			8,513 (Owned: 905 MW)			
U.S.A.							
In operation	22	Tenaska Frontier	Gas (Combined Cycle)	830	31%	Exelon Generation Company, LLC	Valid to 2020
	23	Elwood Energy	Gas (Simple Cycle)	1,350	25%	Constellation/PJM market	Valid to 2016/2017
	24	Green Country	Gas (Combined Cycle)	795	50%	Exelon Generation Company, LLC	Valid to 2022
	25	Birchwood	Coal	242	50%	Virginia Electric and Power Company	Valid to 2021
	26	Pinelawn	Gas (Combined Cycle)	80	50%	Long Island Power Authority	Valid to 2025
	27	Equus	Gas (Simple Cycle)	48	50%	Long Island Power Authority	Valid to 2017
	28	Fluvanna	Gas (Combined Cycle)	885	15%	Shell Energy North America	Valid to 2024
	29	Edgewood	Gas (Simple Cycle)	88	50%	Long Island Power Authority	Valid to 2018
	30	Shoreham	Jet Fuel (Simple Cycle)	80	50%	Long Island Power Authority	Valid to 2017
	31	Orange Grove	Gas (Simple Cycle)	96	50%	San Diego Gas & Electric	Valid to 2035
Subtotal 10 projects			4,494 (Owned: 1,442 MW)				
Other Countries/Region							
In operation	32-34	CBK (Philippines) (3 projects)	Hydroelectric	728	50%	National Power Corporation	Valid to 2026
	35	Chiahui (Taiwan)	Gas (Combined Cycle)	670	40%	Taiwan Power Company	Valid to 2028
	36	Zajaczkowo (Poland)	Wind Power	48	50%	ENERGA OBROT S.A.	Valid to 2023
	37	Nhon Trach 2 (Vietnam)	Gas (Combined Cycle)	750	5%	Vietnam Electricity	Contract under negotiation
Subtotal 6 projects			2,196 (Owned: 693 MW)				
In planning stage	38	Central Java (Indonesia)	Coal	2,000	34%	PT PLN	25 years

*3 Gemeng International Energy Co., Ltd., is an electric power company that owns 15 power generation companies.

*4 Although power purchase agreements are renewed every year, J-POWER makes other agreements with power purchasers for continuous power purchase during operations.



Other Business

Overview of Operations and Salient Features

Aiming to fully utilize the management resources and know-how at its disposal, J-POWER operates diverse businesses through its subsidiaries and affiliates. These include telecommunications businesses and environment-related businesses, the latter of which include the production of solid fuel from

sewage sludge for use as biomass fuel at coal-fired thermal power plants. In addition, J-POWER is active in innovative power businesses that utilize waste power generation and cogeneration systems and also provides technical consulting services in Japan.

Main Projects under Other Business

(As of March 31, 2014)

Project Name	Location	Business	Ownership (%)	Year Operation Commenced
Kanamachi Filtration Plant PFI* ¹ Business	Tokyo Metropolitan Area	Cogeneration at Kanamachi Filtration Plant of Tokyo Metropolitan Government's Bureau (Gas turbine generator output: 12.28 kW)	20%	2000
Narumi Plant PFI Business	Aichi Prefecture	Repair and maintenance work at Narumi Plant in Nagoya (General waste processing capacity: 530 t/day)	11%	2009
Hiroshima City Seibu Water Reclamation Center/ Sewage Sludge Fuel Project	Hiroshima Prefecture	Integrated DBO-type* ² sewage sludge-based biofuels recycling project, from the construction of biofuel processing facilities to mixed combustion in J-POWER's coal-fired thermal power plants (Sludge processing capacity: 100 t/day)	33.8%	2012
Kumamoto Sewage Sludge Solid Fuel Project	Kumamoto Prefecture	Integrated DBO-type* ² sewage sludge-based biofuels recycling project, from the construction of biofuel processing facilities to mixed combustion in J-POWER's coal-fired thermal power plants (Sludge processing capacity: 50 t/day)	44%	2013
Osaka City Hirano Sewage Treatment Plant/Sludge and Solid Fuel Project	Osaka Prefecture	Integrated PFI-type* ¹ sewage sludge-based biofuels recycling project, from the construction of biofuel processing facilities to mixed combustion in J-POWER's coal-fired thermal power plants (Sludge processing capacity: 150 t/day)	60%	2014
Omuta Waste-Fueled Power Plant	Fukuoka Prefecture	Recycling power generation using solid fuel (RDF: Refuse derived fuel) made by compressing and forming general waste (Output: 20.6 MW, RDF processing capacity: 315 t/day)	45.2%	2002

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

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

Management System

32 Corporate Governance

35 Compliance

36 Directors and Corporate Auditors

We seek to be an enterprise that develops energy business in a way that helps people enjoy lifestyles characterized by abundance, safety, and comfort. That is the J-POWER Group's primary objective. By dependably carrying out its day-to-day operations, the Group aims to achieve sustained corporate growth while contributing to the sustainable development of society.

Basic Philosophy

In accordance with its corporate philosophy of meeting people's needs for energy without fail and playing its part for the sustainable development of Japan and the rest of the world, J-POWER seeks to realize business development and corporate value over

the long term while endeavoring to maintain the confidence of its diverse stakeholders. The Company thus believes that strengthening corporate governance systems and ensuring rigorous compliance are important management objectives.

Corporate Governance

Having built a corporate governance system that centers on two units—the Board of Directors, which has 13 members, including two outside directors, and the Board of Corporate Auditors, which has five members, including three outside corporate auditors—J-POWER is working to further strengthen the system's supervisory and monitoring functions. To further reinforce corporate governance, J-POWER added a second outside director as of June 26, 2014.

Representative directors, executive managing officers, and executive officers are responsible for not only executing operations, but also overseeing each other through Board of Directors' meetings where the non-executive directors are present with them and participate in management decision making with an independent perspective. In addition, J-POWER's corporate auditors attend Board of Directors' meetings and other meetings, and they are positioned to constantly monitor the directors' execution of their management duties. More than half of the corporate auditors are outside corporate auditors with abundant experience in such fields as the management of leading Japanese listed companies and the execution of governmental financial policies, and we are confident that their inclusion in our corporate governance system enables the system to fully carry out corporate governance functions.

The outside directors and outside auditors are all independent corporate officers (outside corporate officers with a high level of independence and no potential conflicts of interest with ordinary shareholders) in accordance with the Securities Listing Regulations of the Tokyo Stock Exchange.

Revision of Executive Officer System

We revised our executive officer system as of June 26, 2012 to better define functions and lines of authority in the execution of duties. Under the new system, directors have a supervisory function, and the representative directors, who have business administrative authority under the Companies Act, together with executive managing officers* and executive officers, hold executive functions. This has clarified responsibilities and authority,

enabling precise and prompt decision making and efficient corporate management.

* Executive Managing Directors hold the post of Executive Managing Officer.

Legal Compliance of Directors in Execution of Their Duties

In accordance with the J-POWER Group corporate philosophy and the J-POWER Group Corporate Conduct Rules, directors take the initiative in displaying exemplary honest and fair conduct based on a firm spirit of respect for the law and a solid sense of ethics while also endeavoring to instill similarly rigorous conduct standards among all J-POWER employees. In addition, the directors resolutely refuse to allow the Group to engage in any activities related to antisocial elements that threaten the safety and order of civil society, and they work to ensure that all employees are aware of this policy and thoroughly implement it.

System for Execution of Directors' Duties

The Board of Directors meets monthly, in principle, and also on an as-needed basis, with the attendance of all directors and corporate auditors, including outside directors and auditors. The Executive Committee meets every week, in principle, with the attendance of all directors (excluding the outside directors), executive managing officers, and full-time corporate auditors. This committee discusses matters that will be subject to deliberation by the Board of Directors as well the important operational execution duties of the president and executive vice presidents in line with decisions approved by the Board of Directors that have impact on the entire Company. Management Executing Committee meetings are held twice each month, in principle — with the attendance of the representative directors, executive managing officers, and executive officers with responsibilities related to matters under discussion, as well as all the full-time corporate auditors—to discuss important matters concerning the operational execution of each division. In addition to allocating functions among the Board of Directors, the Executive Committee, and the Management Executing Committee, we have introduced an executive officer system. By building a man-

agement system in which representative directors, executive managing officers, and executive officers share responsibility for operational execution, we have clearly defined management responsibilities and authorities in a manner that enables the representative directors, executive managing officers, and executive officers to make sound and speedy decisions and conduct efficient corporate management.

The representative directors, executive managing officers, and executive officers provide reports regarding the performance of their duties to the Board of Directors and the Executive Committee on a regularly scheduled basis as well as on an as-needed basis. In accordance with relevant laws and regulations and Company regulations, the minutes of meetings are prepared and appropriately stored and managed. Other documents related to the performance of directors' duties are properly prepared, stored, and managed in accordance with Company regulations.

In addition to maintaining these supervisory and monitoring functions, to ensure that operations are conducted in an appropriate manner, we have established the Internal Audit Department, which conducts internal audits from a perspective that is independent of other organizational units. Moreover, each organizational unit regularly conducts self-audits with respect to its own operational execution.

Regarding the disclosure of information to those outside the Company, we are seeking to improve the transparency and accountability of our corporate activities and have, therefore, established the Disclosure Committee. Chaired by the president, this committee works to ensure that the Company discloses information that is fair and transparent in a timely and proactive manner.

Advisory Board

Aiming to further improve our corporate governance, we have established the J-POWER Advisory Board, which provides a forum for experts from outside the Company to provide suggestions and proposals designed to increase corporate value based on diverse, objective perspectives. Comprised of four outside members and several inside members (all representative directors, including the president), the J-POWER Advisory Board meets several times each year. Rather than recruiting outside members with expertise directly related to the energy business, we have emphasized the selection of people who have a broad range of experience and insight and are well positioned to actively provide opinions related to management situations, management plans, and important corporate challenges and objectives.

Outside Members of the J-POWER Advisory Board

(As of June 30, 2014)

Takamitsu Sawa (President, Shiga University; Professor)

Nobuhiko Shima (Journalist)

Mieko Nishimizu (Senior Partner, Think Tank SophiaBank)

Takashi Wachi (Ex-Director and Honorary Chairman, Terumo Corporation)

Audits by Corporate Auditors

In accordance with the Companies Act, J-POWER appoints corporate auditors, who audit the legality and appropriateness of directors' business execution. At J-POWER's headquarters, corporate auditors conduct audits by attending Board of Directors' meetings and other important meetings and observing the status of the execution of directors' and executive officers' duties. In addition, the corporate auditors perform site visits to local facilities and subsidiaries in Japan and overseas.

In the course of accounting audits, corporate auditors regularly liaise with the independent auditors to coordinate auditing schedules and exchange opinions regarding auditing results as a means of ensuring consistency with the independent auditors' auditing methods and results.

When performing audits, corporate auditors liaise with the Internal Audit Department.

With regard to staff under the corporate auditors, we have established a Corporate Auditors' Office as an independent unit outside of the directors' chain of command. The office's full-time specialist staff assist the corporate auditors in the course of their audits.

Group Governance

The J-POWER Group employs fully consolidated accounting processes. We recognize the increasing importance of consolidated business results as a means of measuring the Group's overall strength and seek to clarify the role of each Group company and increase corporate value based on a system in which individual Group companies perform specialized roles.

With regard to the administration of subsidiaries and affiliates, J-POWER's basic policy calls for Group-wide business development in accordance with the Group's management plan. The administration of subsidiaries and affiliates is undertaken in accordance with the Company's internal regulations, and the Group Management Committee works to ensure the appropriateness of operations within the corporate Group. In addition, the corporate auditors and the Internal Audit Department implement audits of subsidiaries and affiliates with the objective of ensuring proper operations at all Group companies.

In addition, we have established the J-POWER Summit, a Companywide committee consisting of business unit senior management, with the objective of promoting information exchanges and other activities within the Group as a whole. The J-POWER Summit is held several times each year with the attendance of the president as well as such other participants as executive directors, executive managing officers, executive officers, full-time corporate auditors, general directors of domestic and overseas units of the Company, and representatives of principal subsidiaries. Besides promoting awareness of issues with respect to which the Group should be concertedly sharing information and implementing measures, participants make requests and exchange opinions related to those issues.

Risk Management

With respect to risks associated with the execution of corporate activities, J-POWER incorporates mutual checks and balances in its decision-making processes, undertakes discussions in various meetings and committees, and creates risk management frameworks covering ordinary operations as well as crisis management operations in accordance with Company regulations. These and other initiatives are designed to ensure awareness of risks and thorough risk avoidance measures as well as to minimize the impact of any damage eventuating from risks.

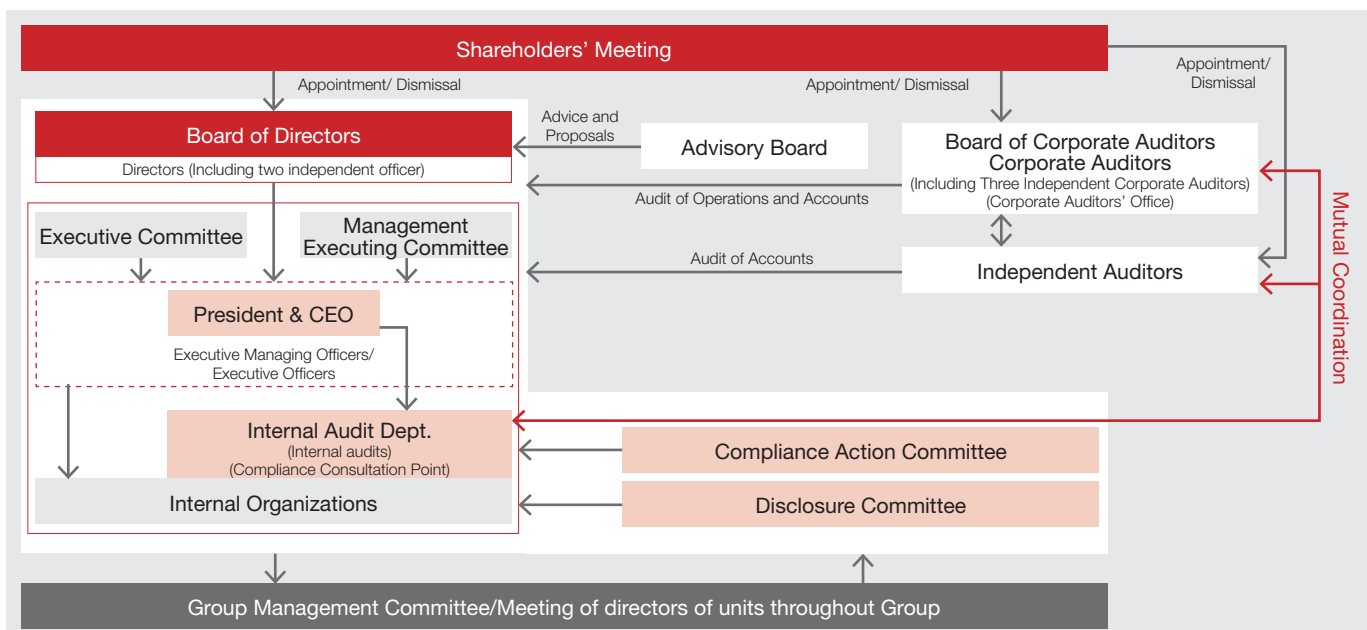
Response to Internal Control and Reporting System

With respect to the financial reporting-related internal control and reporting system stipulated by Japan's Financial Instruments and Exchange Act, the J-POWER Group is establishing, operating, and evaluating internal control systems centered on the Accounting & Finance Department and Internal Audit Department.

In fiscal 2013, as in the previous year, evaluations of the development and operation of internal controls were conducted by management with respect to Company-wide internal controls, operational process-related internal controls, and information technology-based internal controls in accordance with the implementation standards of Japan's Financial Services Agency, and it was determined that the Company's financial reporting-related internal control system is effective. Compiled in the form of an Internal Control Report, this evaluation result was submitted to the prime minister in June 2014 following an audit carried out by the Company's independent auditors.

Going forward, the J-POWER Group will continue working to improve its internal control system and to ensure the reliability of its financial reporting.

Corporate Governance Framework and Internal Control System (As of June 30, 2014)



Compliance

Based on the J-POWER Group corporate philosophy, we have formulated basic guidelines for behavior in line with compliance and business ethics principles that must be observed in the course of implementing business operations. The J-POWER Corporate Conduct Rules set forth basic principles for compliance, while the Compliance Code lays down more concrete decision-making standards for actions taken by individual employees, including members of management, when conducting business activities. In addition, the Company distributes copies of The Compliance Manifesto to all employees and works to encourage awareness of compliance by having them sign and carry the manifesto with them.

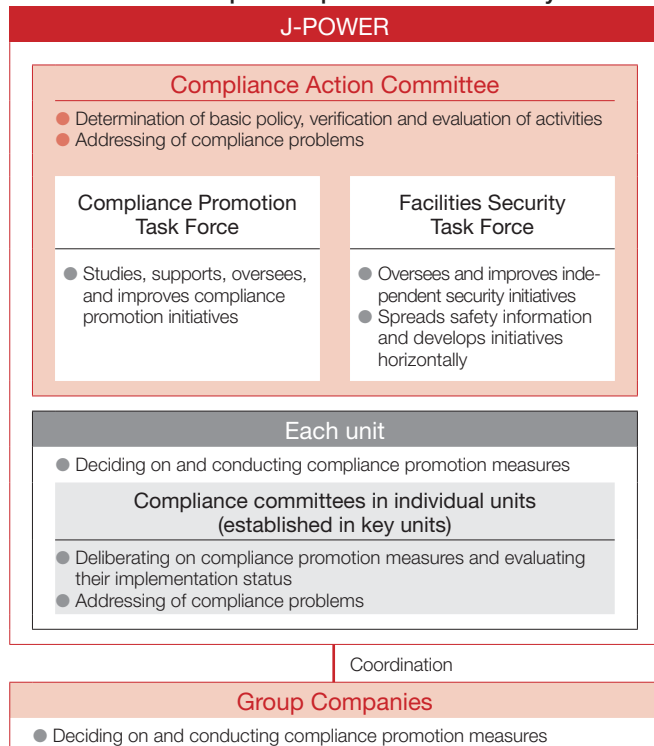
J-POWER has given its chairman responsibility for overseeing Company-wide compliance. The Company's compliance promotion system centers on the director in charge of compliance, who implements compliance promotion programs and assists the chairman and president in this regard. In addition, the Compliance Action Committee, chaired by the chairman, has been established to discuss and evaluate the implementation status of Company-wide compliance promotion measures and address issues related

to compliance violations. To quickly and accurately promote operations pertaining to compliance promotion, two task forces have been set up, one regarding Company-wide compliance promotion and the other autonomous safety activities based on the safety regulations of the Company. Two vice presidents have been assigned to chair these task forces.

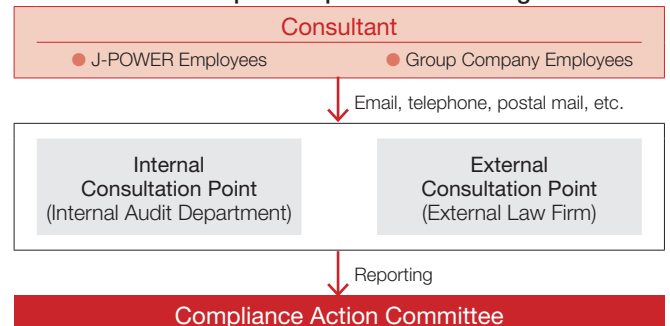
At such major operating units as branches and thermal power plants, J-POWER has also established compliance committees in individual units to carry out compliance activities tailored to the special characteristics of each unit. Group companies also participate in these compliance committees so that compliance activities are consistently promoted throughout the Group. Additionally, a Compliance Consulting Point has been established at the Internal Audit Department and at an external law firm to serve as a consulting hotline in the event that employees face compliance issues.

The J-POWER Group is working to promote compliance by dividing compliance-related duties and responsibilities among these units while also encouraging cooperation and collaboration among the units.

The J-POWER Group's Compliance Promotion System



The J-POWER Group's Compliance Consulting Point



Environmental Management and Corporate Social Responsibility Initiatives

Based on its corporate philosophy of meeting people's needs for energy without fail and playing its part for the sustainable development of Japan and the rest of the world, the J-POWER Group is continuously pursuing initiatives aimed at achieving both

stable electricity supply and environmental preservation through its corporate activities. For information about such initiatives, please see the J-POWER Group's Sustainability Report.

URL: <http://www.jpowers.co.jp/english/>

Directors and Corporate Auditors

(As of June 30, 2014)



Chairman
(Representative Director)

Yasuo Maeda

Company-wide compliance
Group technology improvements



President
(Representative Director)

Masayoshi Kitamura



Executive Vice President (Representative Director)

Yoshihiko Sakanashi

Assistant to the president for businesses described below:
Corporate Planning & Administration Dept.; Accounting & Finance Dept.; Personnel & Employee Relations Dept.; Siting & Environment Dept.; Energy Business Dept.; Environment & Energy Business Dept.; International Business Management Dept.; and International Business Development Dept.
Compliance and risk management (matters under special assignment) Department Director of International Business (delegation of administrative works) Regional operations (central)



Executive Vice President (Representative Director)

Minoru Hino

Assistant to the president for businesses described below:
Civil & Architectural Engineering Dept.; Transmission System & Telecommunications Dept.; Thermal Power Dept.; Thermal Power Engineering Dept.; Nuclear Power Management Dept.; Nuclear Power Construction Dept.; Ohma General Management Dept.; and Research & Development Dept.
Compliance and risk management (matters under special assignment) Department Director of Nuclear Power Business (delegation of administrative works) Regional operations (central, west & east regions)



Executive Vice President (Representative Director)

Toshifumi Watanabe

Assistant to the president for businesses described below:
Secretarial Affairs & Public Relation Dept.; General Affairs Dept.; Business Planning Dept.; Power Sales Dept.; Procurement Office; Power System Operation Dept.; and Hydropower Dept.
Compliance and risk management (matters under special assignment)
Disaster prevention (matters under assignment)
Department Deputy of Nuclear Power Business (delegation of administrative works)
Regional operations (central region)



Executive Managing Director

Seigo Mizunuma

Accounting & Finance Dept.
International Business Development Dept.
Department Deputy Director of International Business (delegation of administrative works)



Executive Managing Director

Kuniharu Takemata

Siting & Environment Dept.
Environment & Energy Business Dept.
Hydroelectric Power business (matters under special assignment)
Regional operations (east region)



Executive Managing Director

Junji Nagashima

Nuclear Power Construction Dept.
Research & Development Dept.
Department Deputy Director of Nuclear Power Business (delegation of administrative works)



Executive Managing Director

Hitoshi Murayama

Thermal Power Dept.
Thermal Power Engineering Dept.
International business (matters under special assignment)
Research & Development (matters under special assignment)
Regional operations (west region)



Executive Managing Director

Masato Uchiyama

Secretarial Affairs & Public Relation Dept.
Personnel & Employee Relations Dept.
Power Sales Dept.
Power System Operation Dept.



Executive Managing Director

Naori Fukuda

Civil & Architectural Engineering Dept.
Hydroelectric power business, thermal power engineering, nuclear power and international business (matters under special assignment)
Regional operations (central region)



Executive Director

Go Kajitani*1, 3



Executive Director

Mariko Fujii*1, 3

Senior Corporate Auditors

Akira Samata

Corporate Auditors

Hiroshi Fujioka*2, 3

Hirotsada Tano

Mutsutake Otsuka*2, 3

Kiyoshi Nakanishi*2, 3

Executive Managing Officers

Shirou Otsuka

Shuji Etoh

Itaru Nakamura

Yoshiki Onoi

Akihito Urashima

Hiromi Minaminosono

Executive Officers

Kiyotaka Koshiba

Masayoshi Murakoshi

Michio Arai

Shinichi Kawatani

Hiroyasu Sugiyama

Hideki Tsukuda

Makoto Honda

*1 Outside Director *2 Outside Corporate Auditor *3 Independent Officer

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Consolidated Balance Sheets

(Millions of yen)

	2013/3	2014/3
Assets		
Noncurrent Assets	1,975,202	2,149,579
Electric Utility Plant and Equipment	1,058,849	1,023,751
Hydroelectric Power Production Facilities	363,437	355,616
Thermal Power Production Facilities	387,957	362,307
Internal Combustion Engine Power Production Facilities	3,956	5,414
Renewable Power Production Facilities	31,358	36,698
Transmission Facilities	185,754	176,102
Transformation Facilities	30,608	30,482
Communication Facilities	8,638	8,596
General Facilities	47,137	48,532
Overseas Business Facilities	14,311	125,018
Other Noncurrent Assets	104,529	109,787
Construction in Progress	464,674	512,604
Construction and Retirement in Progress	464,674	512,604
Nuclear Fuel	59,769	69,216
Nuclear Fuel in Processing	59,769	69,216
Investments and Other Assets	273,067	309,201
Long-Term Investments	202,464	244,181
Deferred Tax Assets	47,234	40,734
Other	24,416	24,331
Allowance for Doubtful Accounts	(1,047)	(45)
Current Assets	194,707	235,636
Cash and Deposits	49,283	50,333
Notes and Accounts Receivable—Trade	61,644	70,135
Short-Term Investments	402	35,000
Inventories	38,160	34,053
Deferred Tax Assets	7,423	8,637
Other	37,847	37,477
Allowance for Doubtful Accounts	(54)	(0)
Total Assets	2,169,909	2,385,216

(Millions of yen)

	2013/3	2014/3
Liabilities		
Noncurrent Liabilities	1,402,287	1,522,905
Bonds Payable	694,930	691,346
Long-Term Loans Payable	608,977	741,509
Lease Obligations	982	981
Provision for Retirement Benefits	59,012	—
Other Provision	36	43
Net Defined Benefit Liability	—	49,071
Asset Retirement Obligations	3,971	6,644
Deferred Tax Liabilities	7,801	14,730
Other	26,574	18,579
Current Liabilities	313,311	342,714
Current Portion of Noncurrent Liabilities	196,999	207,968
Short-Term Loans Payable	18,475	20,318
Commercial Papers	3,999	—
Notes and Accounts Payable—Trade	25,049	33,197
Accrued Taxes	10,811	8,791
Other Provision	273	302
Asset Retirement Obligations	1,495	245
Deferred Tax Liabilities	3	9
Other	56,202	71,880
Reserves under the Special Laws	425	119
Reserve for Fluctuation in Water Levels	425	119
Total Liabilities	1,716,024	1,865,739
Net Assets		
Shareholders' Equity	460,673	478,860
Capital Stock	152,449	152,449
Capital Surplus	81,849	81,849
Retained Earnings	289,639	307,829
Treasury Stock	(63,265)	(63,268)
Accumulated Other Comprehensive Income	(6,768)	37,350
Valuation Difference on Available-for-Sale Securities	4,855	9,030
Deferred Gains or Losses on Hedges	(6,929)	1,772
Foreign Currency Translation Adjustment	(4,693)	22,955
Remeasurements of Defined Benefit Plans	—	3,592
Minority Interests	(19)	3,265
Total Net Assets	453,885	519,477
Total Liabilities and Net Assets	2,169,909	2,385,216

Consolidated Statements of Income

(Millions of yen)

	2013/3	2014/3
Operating Revenues	656,056	706,835
Electric Utility Operating Revenue	605,338	609,080
Overseas Business Operating Revenue	1,647	42,834
Other Business Operating Revenue	49,070	54,920
Operating Expenses	601,490	647,663
Electric Utility Operating Expenses	540,134	545,430
Overseas Business Operating Expenses	8,346	43,899
Other Business Operating Expenses	53,009	58,333
Operating Income	54,566	59,171
Non-Operating Income	17,577	22,357
Dividends Income	1,321	1,454
Interest Income	1,195	1,054
Equity in Earnings of Affiliates	11,728	16,380
Other	3,331	3,468
Non-Operating Expenses	27,318	41,451
Interest Expenses	22,362	25,305
Foreign Exchange Losses	991	11,190
Other	3,964	4,955
Total Ordinary Revenue	673,634	729,192
Total Ordinary Expenses	628,808	689,115
Ordinary Income	44,825	40,077
Provision or Reversal of Reserve for Fluctuation in Water Levels	(351)	(306)
Reversal of Reserve for Fluctuation in Water Levels	(351)	(306)
Extraordinary Income	—	2,386
Insurance Income	—	2,386
Income before Income Taxes and Minority Interests	45,176	42,770
Income Taxes—Current	11,940	8,372
Income Taxes—Deferred	3,622	6,579
Total Income Taxes	15,562	14,952
Income before Minority Interests	29,613	27,817
Minority Interests in Loss	(194)	(876)
Net Income	29,808	28,694

Consolidated Statements of Cash Flows

(Millions of yen)

	2013/3	2014/3
Net Cash Provided by (Used in) Operating Activities		
Income before Income Taxes and Minority Interests	45,176	42,770
Depreciation and Amortization	95,254	91,408
Loss on Retirement of Noncurrent Assets	2,418	2,241
Increase (Decrease) in Provision for Retirement Benefits	987	—
Increase (Decrease) in Net Defined Benefit Liability	—	(4,800)
Increase (Decrease) in Reserve for Fluctuation in Water Levels	(351)	(306)
Interest and Dividends Income	(2,517)	(2,508)
Interest Expenses	22,362	25,305
Decrease (Increase) in Notes and Accounts Receivable—Trade	(2,133)	(7,753)
Decrease (Increase) in Inventories	(3,133)	4,223
Increase (Decrease) in Notes and Accounts Payable—Trade	5,642	9,244
Loss (Gain) on Sales of Securities	(620)	(280)
Loss (Gain) on Valuation of Securities	242	—
Equity in (Earnings) Losses of Affiliates	(11,728)	(16,380)
Loss (Gain) on Sales of Noncurrent Assets	526	530
Other, Net	(8,742)	1,607
Subtotal	143,385	145,302
Interest and Dividends Income Received	7,926	12,626
Interest Expenses Paid	(21,974)	(25,131)
Income Taxes Paid	(9,552)	(10,687)
Net Cash Provided by (Used in) Operating Activities	119,786	122,110
Net Cash Provided by (Used in) Investing Activities		
Purchase of Noncurrent Assets	(165,201)	(176,982)
Proceeds from Contribution Received for Construction	6,343	2,739
Payments of Investment and Loans Receivable	(1,347)	(1,149)
Collection of Investment and Loans Receivable	7,938	6,460
Other, Net	(18,101)	(8,443)
Net Cash Provided by (Used in) Investing Activities	(170,369)	(177,375)
Net Cash Provided by (Used in) Financing Activities		
Proceeds from Issuance of Bonds	39,877	79,740
Redemption of Bonds	(20,000)	(63,599)
Proceeds from Long-Term Loans Payable	207,887	241,625
Repayment of Long-Term Loans Payable	(146,048)	(158,518)
Increase in Short-Term Loans Payable	108,500	97,221
Decrease in Short-Term Loans Payable	(110,038)	(95,374)
Proceeds from Issuance of Commercial Papers	326,969	83,996
Redemption of Commercial Papers	(336,000)	(88,000)
Cash Dividends Paid	(10,501)	(10,504)
Other, Net	856	1,709
Net Cash Provided by (Used in) Financing Activities	61,502	88,295
Effect of Exchange Rate Change on Cash and Cash Equivalents	2,615	3,297
Net Increase (Decrease) in Cash and Cash Equivalents	13,535	36,328
Cash and Cash Equivalents at Beginning of Period	35,359	48,894
Cash and Cash Equivalents at End of Period	48,894	85,223

Electricity Sales Volume and Operating Revenues

Although revenues decreased for the wholesale electric power business due in part to the decreased water supply rate and the suspended operation of some plants in the hydroelectric power business as well as a reduction in basic rates in the thermal power business, sales (operating revenues) for the year ended March 31, 2014, increased ¥50.7 billion (7.7%) from the previous fiscal year to ¥706.8 billion due to increased revenue. The increase in revenue was mainly attributable to the commencement of commercial operation of projects in Thailand. Electric power sales volume and operating revenues for individual segments are reviewed in the following sections.

Electric Power Business

In the wholesale electric power business, the electricity sales volume for hydroelectric power for the fiscal year under review decreased 3.0% from the previous fiscal year to 8.7 TWh due to a decrease in the water supply rate from 102% in the previous fiscal year to 99%, representing a decrease of 270 GWh, and the suspended operation of some hydroelectric power plants. Operating revenues from hydroelectric power decreased 1.8% to ¥104.7 billion.

The thermal power sales volume was almost unchanged from the previous fiscal year at 54.3 TWh, while the load factor stood at 79%, representing a decrease of 10 GWh. Operating revenues from thermal power decreased ¥2.0 billion (0.5%) from the previous fiscal year to ¥411.8 billion due to decreased revenue reflecting a reduction in basic rates.

As a result, in the wholesale electric power business, total electricity sales volume from hydroelectric and thermal power plants decreased 0.5% compared with the previous year to 63.0 TWh. Wholesale electric power sales decreased ¥4.0 billion (0.8%) to ¥516.6 billion.

Total electricity sales volume in the other electric power business increased 4.7% from the previous fiscal year to 2.3 TWh, due

mainly to the inclusion of Mihama Seaside Power, which became a consolidated subsidiary in September 2013. Electric power sales in the other electric power business increased ¥7.1 billion (23.3%) from the previous fiscal year to ¥37.8 billion.

Consequently, for the electric power business overall, the electricity sales volume decreased 0.3% from the previous fiscal year to 65.4 TWh; however, electric power sales in the electric power business increased ¥3.1 billion (0.6%) to ¥554.4 billion. Adding transmission revenue to this, revenues in the electric power business increased ¥2.6 billion (0.4%) from the previous fiscal year to ¥610.7 billion.

Electric Power-Related Businesses

In fiscal 2013, the operating revenues of electric power-related businesses increased ¥15.5 billion (4.5%) from the previous fiscal year to ¥361.3 billion. This was mainly due to an increase in revenue resulting from an increase in orders for facility upgrade works by consolidated subsidiaries.

Overseas Business

In fiscal 2013, the electricity sales volume in the overseas business was 3.6 TWh due mainly to the commencement of commercial operation of small power producer (SPP) projects in Thailand beginning January 2013. As a result, operating revenues in the overseas business increased ¥41.1 billion from the previous fiscal year to ¥42.8 billion.

Other Businesses

In fiscal 2013, operating revenues of other business segment increased ¥1.6 billion (6.5%) from the previous year to ¥26.3 billion. This was mainly due to an increase in revenue from the telecommunications construction operations of consolidated subsidiaries.

Operating Expenses and Operating Income

Despite a decrease in depreciation expenses, operating expenses increased ¥46.1 billion (7.7%) from the previous fiscal year to ¥647.6 billion, reflecting an increase in fuel costs accompanying the commencement of commercial operation of projects in

Thailand. As a result, operating income increased ¥4.6 billion (8.4%) from the previous fiscal year to ¥59.1 billion. The operating margin edged up 0.1 of a percentage point to 8.4%.

Non-Operating Revenues / Expenses and Ordinary Income

In fiscal 2013, non-operating revenues increased ¥4.7 billion (27.2%) from the previous fiscal year to ¥22.3 billion due mainly to an increase in the equity income of affiliates. Non-operating expenses for the year increased ¥14.1 billion (51.7%) from the pre-

vious fiscal year to ¥41.4 billion as a result of foreign exchange loss.

Consequently, ordinary income amounted to ¥40.0 billion, down ¥4.7 billion (10.6%) from the previous fiscal year. The ordinary income margin fell 1.1 percentage points to 5.7%.

Electric Power Business

Despite an increase in sales, segment income decreased 6.4% from the previous fiscal year to ¥29.0 billion due mainly to an increase in fuel costs accompanying devaluation of the yen.

Electric Power-Related Businesses

Ordinary income increased 5.8% from the previous fiscal year to ¥9.6 billion due mainly to such factors as the increase in sales.

Overseas Business

Ordinary income decreased 98.7% from the previous fiscal year to ¥50 million, due mainly to loss on foreign exchange, despite the increase in equity income of affiliates.

Other Business

Ordinary income decreased ¥30 million from the previous fiscal year to ¥0.9 billion due mainly to increase in cost of sales.

Net Income

In fiscal 2013, income before income taxes and minority interests decreased ¥2.4 billion (5.3%) from the previous fiscal year to ¥42.7 billion, mainly due to the decrease in ordinary income, despite the

posting of insurance income under extraordinary income. Net income decreased ¥1.1 billion (3.7%) from the previous fiscal year to ¥28.6 billion.

Net Income per Share

Net income per share was ¥191.23 in fiscal 2013, compared with ¥198.65 in the previous fiscal year.

Dividend Policy

The most-distinctive characteristic of J-POWER's business is that the Company uses its expertise with respect to the construction of power plants and other facilities and the operation of those facilities over the long term to make investments in power plants and other kinds of infrastructure and then seeks to obtain returns on its investments through the long-term operation of those assets. J-POWER will continue to allocate an appropriate level of internal reserves to business investments aimed at new growth, while increasing equity capital based on the recognition that it must further reinforce its financial position.

J-POWER's top priority with respect to shareholder returns is to maintain stable dividend levels in line with the characteristics of its business, and the Company also strives to enhance shareholder returns by expanding its business operations and increasing its corporate value in a sustained manner.

The nature of prospective conditions in the Company's operating environment has been increasingly difficult to anticipate since the Great East Japan Earthquake disaster that occurred in March 2011. Going forward, however, J-POWER intends to strengthen the competitiveness of its core wholesale electric power business while striving to bolster its earnings power by expanding its operations.

In light of these situations and J-POWER's emphasis on maintaining stable shareholder returns over the long term, the Company distributed a fiscal year-end dividend of ¥35 per share. Together with the interim dividend of ¥35 per share, total dividends applicable to fiscal 2012 amounted to ¥70 per share.

As a result, the consolidated payout ratio increased 1.4 percentage points from the previous fiscal year to 36.6%, while the ratio of consolidated dividends to net assets was 2.2%, down 0.2 of a percentage point.

Financial Position

Assets

As of March 31, 2014, total assets amounted to ¥2,385.2 billion, up ¥215.3 billion (9.9%) from the previous fiscal year-end. This was due mainly to increased capital investment in projects in Thailand.

Liabilities

As of March 31, 2014, total liabilities amounted to ¥1,865.7 billion, up ¥149.7 billion (8.7%) from the previous fiscal year-end.

Included in the above was interest-bearing debt, which rose ¥126.9 billion from the end of the previous fiscal year to ¥1,649.9 billion. Included in interest-bearing debt was ¥258.7 billion in non-recourse loans (¥256.7 billion of which was in the overseas business). The debt-equity ratio was 3.2 times, down from 3.4 times at the previous fiscal year-end.

Net Assets and Total Shareholders' Equity*

As of March 31, 2014, total net assets stood at ¥519.4 billion, up ¥65.5 billion from the previous fiscal year-end, reflecting the posting of net income and an increase in foreign currency translation adjustments. Shareholders' equity increased ¥62.3 billion (13.7%) year on year to ¥516.2 billion.

As a result, the shareholders' equity ratio increased 0.7 of a percentage point from 20.9% at the end of the previous fiscal year to 21.6%.

* Net assets - Minority interests - Share subscription rights (equivalent to shareholders' equity until fiscal 2005)

Capital Expenditures

Capital expenditures in fiscal 2013 amounted to ¥195.0 billion, an increase of ¥19.9 billion (11.4%) from the previous fiscal year.

Capital expenditures in the electric power business increased ¥24.9 billion (35.9%) from the previous fiscal year to ¥94.3 billion.

Fund Procurement

Most of J-POWER's financing requirements are related to capital expenditures and debt refinancing, and the Company has a basic policy of procuring long-term funds. When procuring long-term funds, the Company issues straight bonds and borrows long-term loans from financial institutions as a means of maintaining low interest rates and a stable fund procurement platform. The outstanding balances of straight bonds and borrowings as of March

31, 2014, were ¥771.3 billion and ¥856.7 billion, respectively. In addition, the Company obtains short-term funding as a means of procuring operating funds as well as of enhancing the responsiveness and flexibility of procurement operations. To meet short-term funding needs, the Company is currently able to issue up to a total of ¥300.0 billion in commercial paper.

Cash Flows

Cash Flows from Operating Activities

Cash inflow from operating activities increased ¥2.3 billion (1.9%) from the previous fiscal year to ¥122.1 billion due mainly to a decrease in inventories.

As a result, free cash flow was a negative ¥55.2 billion.

Cash Flows from Financing Activities

Cash inflow from financing activities increased ¥26.7 billion (43.6%) from the previous fiscal year to ¥88.2 billion due mainly to an increase in income from funds procurement.

As a result, cash and cash equivalents as of March 31, 2014, stood at ¥85.2 billion, an increase of ¥36.3 billion (74.3%) compared with the end of the previous fiscal year.

Cash Flows from Investing Activities

Cash outflow from investment activities increased ¥7.0 billion (4.1%) from the previous fiscal year to ¥177.3 billion due mainly to an increase in investment in projects in Thailand.

Risk Factors

This section discusses the main potential risks related to J-POWER's financial position, business results, future business operations and other matters. References to matters related to future operations and events reflect judgments made at the time of this document's preparation. 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. 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.

Impact of Reforms to the Electric Power System on J-POWER's Wholesale Electricity Rates and Business

J-POWER derives most of its operating revenues from the wholesale supply of power to Japan's 10 EPCOs. However, our contract rates are calculated on a fair cost plus fair return on capital basis for each generating, transmission and transformation facility, EPCOs have been calling for a reduction in our contract rates, and it is possible that declines in costs or intensifying competition could lead to stronger calls for the Company to lower its contract rates. A reduction in our wholesale contract rates going forward could potentially have an adverse effect on the results of our operations.

Wholesale power trading on the Japan Electric Power Exchange (established in November 2003) commenced in April 2005. J-POWER is currently trading in the wholesale power markets. Although we do not expect a large increase in the amount of electricity 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 rates. 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.

In addition, there remains the possibility that the business environment surrounding the Company will see drastic changes as a result of industry reforms in the electric power business. Based on the Cabinet decision on the Policy on Electricity System Reform in April 2013, the Electricity Business Act was amended in November 2013 and June 2014, and plans were finalized for the establishment of the Organization for Cross-regional Coordination of Transmission Operators (OCCTO) scheduled for 2015 and the full liberalization of the retail market and abolition of wholesale regulation (implementation scheduled for 2016).

As further details of system reform continue to be explored, preparations are being advanced for legal amendments related to the legal unbundling of the transmission/distribution sector and revisions to regulations on electricity retail rates (implementation scheduled between 2018 and 2020). The outcomes of such reforms could potentially have material adverse effects on our business operations and earnings.

Delay or Discontinuation of Power Plant Construction Plans

When constructing power plants for EPCOs, before beginning full-scale construction, we reach consensus with the planned power receiving company with regard to scale of generation, the start date of operations and anticipated construction cost. The consensus is based on the assumption that the EPCOs will receive all the power generated. Later, just before construction is completed, we form a contract with the receiving company determining the rates and other conditions. After operations begin, we recover maintenance and operating costs as well as investment through the proceeds of electricity sales.

Changes in growth projections for electricity demand have prompted some EPCOs to postpone or cancel new power plant development and to shut down underutilized thermal power plants on a long-term or permanent basis. In some cases, we have also postponed the start of commercial operations or cancelled the planned construction of power plants to supply EPCOs based on consultations with them. In addition, due to difficulties in acquiring sites for power plants, there have been cases wherein plans were

cancelled upon consultation with the power-receiving companies. The Company bears the appropriate amount of expenses arising from cancellations based on consultation with the planned power receiving company.

Going forward, if revisions to Japan's energy policies and major changes surrounding the electric power business, the occurrence of unforeseen circumstances, or other factors result in the cancellation of construction plans, this could potentially have a material adverse effect on the results of our operations.

Global Warming

J-POWER has a large number of coal-fired thermal power plants, which emit relatively high amounts of CO₂ with respect to power output compared to power plants that use LNG and other fossil fuels. Accordingly, we are taking various initiatives to combat global warming based on the Environmental Action Plan of the Electric Utility Industry, which encompasses the 12 power companies including EPCOs and wholesale power companies, in coordination with the other companies. We are pursuing such initiatives in Japan as developing nuclear power, which does not emit CO₂, developing underused energy sources, such as waste-fueled power, developing wind power and other renewable energy, and working to improve the efficiency of coal-fired power generation. Going forward, if new regulations or other rules related to global warming countermeasures were to be introduced, it could potentially have an adverse effect on the results of our operations.

Overseas Power Generation Business and Other Areas 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.

Specifically, in the overseas power generation business, we are applying the experience gleaned through our consulting services businesses in various countries in the pursuit of independent power producer (IPP) projects. In the domestic wholesale electricity business, we operate independent power producers (IPPs) that supply wholesale electricity to EPCOs, supplies wholesale electricity for PPSs and engage in power generation using renewable energy, including wind power and waste-fueled thermal power.

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 such circumstances could result in related expenses that could potentially have an adverse effect on the results of our operations. These businesses also include some that the Company operates in the form of joint

ventures, in which the Company retains a minority interest. In addition, overseas businesses entail foreign exchange risk as well as country risk due to political instability and other factors.

Capital Funds

The Company has invested a very large amount in power plants. The funds for these investments have been procured mainly through borrowings and the issuance of bonds payable. Over the next 10 years we anticipate the need to raise a significant volume of funds to proceed with investment plans in our main development projects of Ohma Nuclear Power Plant and Takehara New No. 1 Thermal Power Plant, to repay existing obligations, and to proceed with investment in overseas electric power plant projects. 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.

Ohma Nuclear Power Plant Construction Plan

With regard to the Ohma Nuclear Power Plant Plan, the Atomic Energy Commission of Japan concluded in the August 1995 decision that the plant has a policy-oriented role in enhancing flexibility of the plan to use MOX (uranium-plutonium mixed oxide) fuel in light water reactors because the plant adopts an advanced boiling water reactor with a view to using MOX fuel for the entire core (full MOX-ABWR). In addition, the commission expected the implementation of the plan not only by J-POWER who has primary responsibility but also under the auspices of the government and EPCOs. Accordingly, under a government's guideline the Company receives an R&D grant for the use of MOX fuel for entire reactor cores. Furthermore, the Company has already concluded basic agreements with nine EPCOs, excluding the Okinawa Electric Power Company, that requires the nine EPCOs to purchase the total amount of electricity at fair cost.

As a nuclear power plant using MOX fuel for the entire core, the Ohma Nuclear Power Plant Plan received consent from the local municipality of Ohma as well as Aomori Prefecture and was included by the Electric Power Development Coordination Council in the national Electric Power Development Master Plan as laid out by the Electric Power Development Promotion Law in August 1998. (The Electric Power Development Promotion Law was abolished in October 2003, and with it the system of Electric Power Development Master Plan ended. The functions of the plan were taken on by the major power development site designation system, under which the project received site designation in February 2005.) In April 2008, the nuclear reactor installation permit was granted, and in May of the same year, upon the initial approval of

construction work plan by the Minister of Economy, Trade and Industry, construction began. Construction was suspended immediately after the Great East Japan Earthquake struck in March 2011 but was resumed in October 2012.

Currently, in order to apply for reviews by the Nuclear Regulation Authority on conformity to the New Regulatory Requirements (which went into effect in July 2013), the Company is preparing application documents for permission to change in reactor installation license, including designing of measures for reinforcing safety. While appropriately reflecting the Standards in the plant's design and steadily implementing the necessary safety measures, the entire Company is working to create a safe plant. Nevertheless, nuclear power generation involves various risks. These include risks of revisions to plans due to significant changes in the situation regarding the nuclear power business caused by a review of Japan's nuclear policy or unexpected circumstances, as well as risks in the storage and handling of radioactive materials and risks that other types of power plants are exposed to, such as natural disasters and unforeseen accidents after operations have commenced. J-POWER intends to ensure that these risks are avoided or minimized. However, should any of these risks arise, the business performance of the Company could be adversely affected.

Coal-Fired Thermal Power Plant Fuel

J-POWER's coal-fired thermal power plants use imported coal as their main source of fuel. Coal-fired thermal power accounts for 84% of the Company's total electricity sales volume, and payments for coal account for 38% of operating expenses.

In procuring imported coal, the Company purchases coal from diverse sources in Australia, Indonesia, Russia, South Africa, China and elsewhere to seek both stable and economical supply. The Company's overseas coal procurement is handled mainly under long-term or one-year contracts, with spot purchasing to fill gaps as necessary. Coal purchase prices under long-term contracts are normally adjusted once per year in light of market prices.

Fuel prices are impacted by such factors as changes in overseas coal prices, demand and supply for transport vessels and problems with the facilities or operations of suppliers. However 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 business performance of J-POWER. However, if, following a revision to wholesale electricity rates, coal prices rise sharply before the next revision, there will be a delay before the rise in fuel prices is reflected in electricity rates. This could have a temporary adverse effect on the results of our operations.

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 transformation facilities, or should such an event disrupt the information systems that control operations at these facilities, this could potentially hamper our business operations and consequently have an adverse effect on the surrounding environment. To prevent accidents at power plants, transmission and transformation facilities, which are important infrastructure for Japan, to ensure the safety of involved parties and to preserve the surrounding environment, J-POWER works to establish security and disaster prevention systems, accident and disaster prevention measures and emergency response and recovery countermeasures, and to implement environmental monitoring.

Nevertheless, if an accident or other event were to halt operations of J-POWER's power plant or transmission or transformation facilities, or if an accident or other event were to negatively impact the surrounding environment, the Company's performance could be adversely affected.

Regulatory Requirements

J-POWER's mainstay wholesale electric power business is subject to the Electricity Business Law.

As stipulated by this law, J-POWER, as a wholesale power company, is subject to business and safety regulations, including those related to business licenses (Article 3), approval for assignment and acceptance of business and corporate mergers and demergers (Article 10), notification related to assignment of facilities used for electricity business, etc. (Article 13), permission to suspend or abolish business and approval to dissolve the corporation (Article 14), obligation to supply (Article 18), notification related to rates and other supply conditions (Article 22), notification related to supply plans (Article 29), and notification related to safety regulations (Article 42). In addition, in line with said regulations, the Company is subject to orders to change or cease operations and the revocation of business licenses. The Company's business operations are also subject to various other laws and regulations. If the Company is unable to comply with these laws and regulations, or if these laws and regulations are revised, this could potentially have an adverse effect on our business operations and performance. Furthermore, wholesale regulations (the business license system and rate regulations) are to be abolished in 2016 according to the Electricity Business Act amended in June 2014.

On August 10, 2011, the Nuclear Damage Compensation Facilitation Corporation Act was promulgated and enacted. The main purpose of this act is to create the Nuclear Damage

Compensation Facilitation Corporation to enable compensation for damages related to nuclear accidents in the future, based on the principle of mutual assistance between nuclear operators. In line with Article 38 of the Act, as a nuclear operator, J-POWER will be required to make contributions to the Nuclear Damage Compensation Facilitation Corporation's operating costs. Depending on the amount of this contribution, the business performance of the Company could be adversely affected. With regard to the Ohma Nuclear Power Plant project, should nuclear reactor operations commence, the Company will be required to make such contributions.

High Level of Dependence on a Limited Number of Customers

In fiscal 2013, electric utility operating revenues accounted for 86.2% of total operating revenues, and sales to EPCOs accounted for 96.8% of electric utility operating revenues. Customers who account for more than 10% of electric utility operating revenues are The Chugoku Electric Power Company (20.7%), The Tokyo Electric Power Company (20.2%), The Kansai Electric Power Company (17.6%), and Kyushu Electric Power Company (11.1%). We expect EPCOs to remain our most important customers going forward, and, accordingly, the results of our operations could potentially be affected by changes in the EPCOs' share of the retail electricity market as well as by changes in demand for electric power in Japan and other factors.

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.

Financial and Operating Highlights

	2005/3	2006/3	2007/3
Consolidated: Operating Revenues/Expenses Comparison			
Operating Revenues	594,375	621,933	573,277
Electric Utility Operating Revenues	547,960	573,198	523,782
Hydroelectric (Wholesale Electric Power Business)	137,106	126,810	123,490
Thermal (Wholesale Electric Power Business)	339,228	368,250	326,543
Other Electric Power Businesses	8,679	16,495	16,868
Overseas Business Operating Revenue*1	—	—	—
Other Business Operating Revenue**2	46,414	48,734	49,494
Operating Expenses	482,489	520,464	496,136
Operating Income	111,885	101,469	77,141
Non-Operating Income	3,880	7,620	13,011
Equity Income of Affiliates	—	2,042	5,560
Other	3,880	5,577	7,451
Non-Operating Expenses	58,673	41,182	34,639
Interest Expenses	50,881	35,732	22,585
Foreign Exchange Losses	—	—	—
Other	7,790	5,449	12,054
Ordinary Income	57,093	67,906	55,513
Extraordinary Income	—	—	—
Extraordinary Loss	—	—	—
Net Income	35,559	43,577	35,167
Average Exchange Rates (Yen/US\$)	107.54	113.32	116.97
Foreign Exchange Rate at the End of FY (Yen/THB)	2.67	2.87	3.41
Foreign Exchange Rate at the End of FY (THB/US\$)	39.06	41.03	36.05

Consolidated: Electricity Sales Volume

Electric Power Business	61,482	64,328	60,329
Hydroelectric (Wholesale Electric Power Business)	11,172	8,583	10,633
Thermal (Wholesale Electric Power Business)	49,345	54,044	48,039
Other Electric Power Businesses	965	1,701	1,657
Overseas Business**3	—	—	—
Domestic Hydroelectric: Water Supply Rate	118%	90%	112%
Domestic Thermal: Load Factor	77%	84%	75%

*1 Revenues of the overseas operating segment (including revenues from consolidated overseas subsidiaries, overseas consulting businesses, etc.)

*2 "Other Businesses Operating Revenue" is composed of "Electric Power-Related Business" and "Other Businesses."

*3 Electric power sales volume of overseas consolidated subsidiaries (Electric power sales volume of equity method affiliated companies is not included.)

2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3
(Millions of yen)						
587,780	704,936	584,484	635,975	654,600	656,056	706,835
531,764	648,362	530,289	584,436	609,775	605,338	609,080
114,557	110,945	108,994	108,152	108,479	106,681	104,765
342,734	460,336	349,693	406,488	424,436	413,938	411,850
17,702	20,055	14,754	13,723	22,371	30,707	37,875
—	—	1,576	1,881	2,005	1,647	42,834
56,016	56,574	52,617	49,657	42,819	49,070	54,920
537,056	647,828	535,544	565,387	604,800	601,490	647,663
50,724	57,108	48,939	70,588	49,800	54,566	59,171
21,543	13,282	18,734	14,965	15,356	17,577	22,357
8,879	7,470	11,722	9,072	9,565	11,728	16,380
12,664	5,812	7,011	5,893	5,790	5,849	5,976
29,394	30,791	25,979	29,231	28,536	27,318	41,451
22,749	22,616	23,085	22,371	22,005	22,362	25,305
—	—	—	—	—	991	11,190
6,644	8,174	2,894	6,860	6,530	3,964	4,955
42,873	39,599	41,694	56,322	36,619	44,825	40,077
—	12,170	—	1,635	—	—	2,386
—	19,648	—	19,176	3,382	—	—
29,311	19,457	29,149	19,583	16,113	29,808	28,694
114.49	100.75	92.89	85.74	79.08	82.91	100.17
3.83	2.60	2.76	2.70	2.45	2.82	3.20
33.72	34.90	33.32	30.15	31.69	30.63	32.81
(MW)						
62,469	59,148	57,238	65,815	66,084	65,605	65,421
8,287	8,384	9,214	10,267	10,318	9,032	8,759
52,499	49,147	46,546	54,086	53,756	54,333	54,316
1,682	1,616	1,477	1,462	2,010	2,239	2,345
—	—	—	—	—	—	3,665
85%	88%	96%	106%	115%	102%	99%
81%	76%	68%	78%	77%	78%	79%

Financial and Operating Highlights

	2005/3	2006/3	2007/3
Consolidated: Balance Sheet Items			
Noncurrent Assets	1,890,001	1,827,868	1,861,818
Electric Utility Plant and Equipment	1,547,374	1,438,443	1,351,994
Overseas Business Facilities	—	—	—
Other Noncurrent Assets	27,877	28,336	33,682
Construction in Progress	170,613	199,524	248,710
Nuclear Fuel	—	—	—
Investments and Other Assets	144,135	161,564	227,430
Current Assets	131,654	136,798	137,976
Total Assets	2,021,655	1,964,667	1,999,794
Interest-Bearing Debt	1,498,010	1,408,232	1,421,542
Other	131,105	122,200	115,597
Total Liabilities	1,629,115	1,530,432	1,537,140
Total Shareholders' Equity	391,327	433,028	—
Shareholders' Equity	—	—	444,956
Accumulated Other Comprehensive Income	—	—	16,230
Minority Interests	—	—	1,468
Total Net Assets	—	—	462,654

Consolidated: Cash Flow Items

Net Cash Provided by (Used in) Operating Activities	172,637	173,954	157,241
Income before Income Taxes and Minority Interests	55,984	68,305	54,757
(Reference) Depreciation and Amortization on a Non-Consolidated Basis*2	122,825	130,844	117,973
Net Cash Provided by (Used in) Investing Activities	(60,586)	(72,326)	(155,407)
Capital Expenditure for Subsidiaries	*1	(8,651)	(9,066)
(Reference) CAPEX on a Non-Consolidated Basis*2	*1	(62,365)	(86,898)
Free Cash Flow	112,051	101,628	1,834

Consolidated: Financial Indicators

Return on Assets (ROA)*3	2.8%	3.4%	2.8%
ROA (after exclusion of the construction in progress of tangible fixed assets)*4	3.0%	3.8%	3.2%
Return on Equity (ROE)*5	9.5%	10.6%	7.9%
Net Income per Share (EPS)*6 (Yen)	255.01	260.76	211.14
Net Assets per Share (BPS) (Yen)	2,818.04	2,598.90	2,768.95
Equity Ratio	19.4%	22.0%	23.1%
Debt-Equity Ratio	3.8	3.3	3.1
Number of Common Shares Issued at the End of the Period (Thousands) (excluding treasury stock)*7	138,808	166,565	166,556

*1 Unpublished

*2 Non-consolidated capital expenditure: Increase in tangible and intangible noncurrent assets

*3 ROA: Ordinary income / Average total assets

*4 ROA: Ordinary income / (Average total assets during the period - Average construction in progress of fixed assets)

*5 ROE: Net income / Average total shareholders' equity

*6 J-POWER carried out a 1.2-for-1 stock split on March 1, 2006. Calculations assume that this stock split was carried out at the beginning of the fiscal year.

*7 In the fiscal year ended March 2004, capital increases were implemented through allocating 68,208 thousand shares to third parties. J-POWER carried out a 1.2-for-1 stock split on March 1, 2006.

(Millions of yen)

2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3
1,864,374	1,843,143	1,879,804	1,842,658	1,849,786	1,975,202	2,149,579
1,265,497	1,235,044	1,226,640	1,178,492	1,111,251	1,058,849	1,023,751
—	—	—	—	—	14,311	125,018
40,270	46,634	49,619	64,920	65,657	104,529	109,787
327,429	321,889	309,740	301,676	380,425	464,674	512,604
10,310	27,650	38,688	46,693	54,157	59,769	69,216
220,866	211,923	255,115	250,875	238,295	273,067	309,201
148,756	162,325	144,276	169,727	166,607	194,707	235,636
2,013,131	2,005,469	2,024,080	2,012,386	2,016,394	2,169,909	2,385,216
1,423,878	1,470,748	1,452,515	1,429,037	1,435,736	1,523,059	1,649,993
121,134	152,607	156,583	168,450	174,465	192,964	215,745
1,545,012	1,623,356	1,609,099	1,597,487	1,610,202	1,716,024	1,865,739
—	—	—	—	—	—	—
464,266	408,036	426,680	435,760	441,369	460,673	478,860
2,116	(27,908)	(14,003)	(19,997)	(33,985)	(6,768)	37,350
1,735	1,984	2,304	(863)	(1,191)	(19)	3,265
468,118	382,112	414,981	414,898	406,192	453,885	519,477
136,252	158,628	169,148	151,236	125,891	119,786	122,110
43,469	32,536	42,105	38,739	33,237	45,176	42,770
109,739	109,741	115,585	106,080	100,423	89,485	81,500
(152,518)	(132,350)	(129,504)	(124,675)	(136,852)	(170,369)	(177,375)
(16,561)	(15,628)	(13,502)	(30,200)	(64,235)	(100,277)	(95,747)
(122,874)	(150,228)	(97,908)	(73,796)	(68,493)	(66,262)	(86,555)
(16,265)	26,278	39,643	26,560	(10,960)	(50,582)	(55,264)
2.1%	2.0%	2.1%	2.8%	1.8%	2.1%	1.8%
2.5%	2.4%	2.5%	3.3%	2.2%	2.7%	2.2%
6.3%	4.6%	7.4%	4.7%	3.9%	6.9%	5.9%
175.99	121.65	194.26	130.51	107.39	198.65	191.23
2,800.18	2,533.28	2,750.20	2,770.77	2,714.94	3,024.98	3,440.23
23.2%	19.0%	20.4%	20.7%	20.2%	20.9%	21.6%
3.1	3.9	3.5	3.4	3.5	3.4	3.2
166,554	150,054	150,053	150,053	150,053	150,052	150,051

Financial and Operating Highlights

	2005/3	2006/3	2007/3	
Non-Consolidated: Operating Revenues/Expenditures				
Operating Revenues	546,702	566,016	517,273	
Electric Utility Operating Revenues	540,665	558,306	510,248	
Hydroelectric	137,106	126,810	123,490	
Thermal	339,228	368,250	326,543	
Transmission Revenue	64,330	63,245	60,214	
Incidental Business Operating Revenue	6,037	7,709	7,024	
Operating Expenses	447,964	480,041	456,433	
Electric Utility Operating Expenses	442,754	473,056	450,203	
Personnel Expense	33,823	21,489	27,180	
Amortization of the Actuarial Difference*	(104)	(8,993)	(3,865)	
Fuel Cost	115,838	155,977	144,053	
Repair Expense	52,018	42,565	46,477	
Depreciation and Amortization Cost	122,825	130,844	117,973	
Other	118,247	122,179	114,518	
Incidental Business Operating Expenses	5,210	6,985	6,229	
Operating Income	98,738	85,974	60,840	
(Amortization of the Actuarial Difference)				
Actuarial Difference	The Remainders in the Previous Year	1,777	(48)	(4,154)
	Actuarial Difference in the Present Year	(1,930)	(13,100)	(1,495)
	Actuarial Difference in the Previous Year	—	—	—
	Subtotal	(152)	(13,148)	(5,650)
Amortization*		(104)	(8,993)	(3,865)
The Remainders in the Present Year		(48)	(4,154)	(1,785)
[Repair Expenses]				
Hydroelectric	12,854	15,649	8,659	
Thermal	34,930	23,889	34,534	
Transmission/Transformation	2,128	1,623	1,547	
Others	2,105	1,403	1,736	
Total	52,018	42,565	46,477	
[Depreciation]				
Hydroelectric	28,230	27,029	26,122	
Thermal	68,220	77,936	67,899	
Transmission/Transformation	22,157	21,583	20,202	
Others	4,217	4,295	3,748	
Total	122,825	130,844	117,973	

* Until the year ended March 31, 2009, actuarial differences were amortized from the year in which they occurred. Since the year ended March 31, 2010, actuarial differences are amortized

(Millions of yen)

	2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3
	529,250	645,850	530,436	583,213	599,973	586,993	582,861
	517,318	631,452	518,682	573,878	590,553	577,284	572,937
	114,557	110,945	108,994	108,152	108,479	106,681	104,765
	342,734	460,336	349,693	406,488	424,436	413,938	411,935
	60,025	60,170	59,993	59,237	57,638	56,664	56,236
	11,932	14,398	11,753	9,335	9,419	9,708	9,923
	489,363	601,122	489,531	520,569	557,628	543,659	542,396
	478,579	588,224	479,085	513,395	549,010	534,765	533,444
	37,689	43,571	36,187	31,276	34,441	34,084	29,810
	6,355	10,787	3,408	(2,213)	1,752	505	(3,099)
	185,357	255,156	173,957	209,967	238,497	238,441	250,259
	32,757	55,419	45,390	50,635	54,286	56,454	58,521
	109,739	109,741	115,585	106,080	100,423	89,485	81,500
	113,034	124,334	107,965	115,435	121,362	116,299	113,352
	10,783	12,897	10,446	7,174	8,617	8,894	8,952
	39,887	44,728	40,904	62,644	42,344	43,333	40,464
	(1,785)	2,936	4,983	1,574	(1,022)	809	233
	11,077	12,835	—	—	—	—	—
	—	—	—	(4,811)	3,584	(70)	(4,746)
	9,291	15,771	4,983	(3,236)	2,561	738	(4,530)
	6,355	10,787	3,408	(2,213)	1,752	505	(3,099)
	2,936	4,983	1,574	(1,022)	809	233	(1,431)
	6,893	14,752	8,009	8,112	13,039	11,340	11,776
	22,436	36,195	33,242	38,765	35,733	40,438	41,942
	1,875	2,518	2,327	2,259	3,761	3,161	3,205
	1,553	2,133	1,811	1,496	1,753	1,513	1,596
	32,757	55,419	45,390	50,635	54,286	56,454	58,521
	25,425	24,921	24,054	23,553	23,418	21,852	21,318
	61,069	61,970	69,307	61,318	56,707	48,411	40,879
	19,021	18,470	17,752	16,849	16,053	15,302	15,074
	4,222	4,379	4,470	4,359	4,242	3,919	4,226
	109,739	109,741	115,585	106,080	100,423	89,485	81,500

from the year following the year in which they occurred.

10-Year Consolidated Financial Data

Consolidated Balance Sheets

	2005/3	2006/3	2007/3
Assets			
Noncurrent Assets	1,890,001	1,827,868	1,861,818
Electric Utility Plant and Equipment	1,547,374	1,438,443	1,351,994
Hydroelectric Power Production Facilities	499,017	481,068	469,750
Thermal Power Production Facilities	686,072	613,349	555,959
Internal Combustion Engine Power Production Facilities	10,071	16,931	15,471
Renewable Power Production Facilities	—	—	—
Transmission Facilities	276,661	257,253	242,675
Transformation Facilities	41,605	38,605	36,581
Communication Facilities	9,985	9,170	9,626
General Facilities	23,961	22,065	21,928
Overseas Business Facilities	—	—	—
Other Noncurrent Assets	27,877	28,336	33,682
Construction in Progress	170,613	199,524	248,710
Construction and Retirement in Progress	170,613	199,524	248,710
Nuclear Fuel	—	—	—
Nuclear Fuel in Processing	—	—	—
Investments and Other Assets	144,135	161,564	227,430
Long-Term Investments	95,031	114,600	180,325
Deferred Tax Assets	46,150	42,944	43,094
Other	2,954	4,018	4,223
Allowance for Doubtful Accounts	(1)	(0)	(213)
Current Assets	131,654	136,798	137,976
Cash and Deposits	30,351	28,961	35,029
Notes and Accounts Receivable—Trade	52,150	56,484	47,204
Short-Term Investments	1,551	1,556	376
Inventories	13,158	18,160	20,783
Deferred Tax Assets	5,083	5,635	5,421
Other	29,383	25,999	29,214
Allowance for Doubtful Accounts	(24)	—	(53)
Total Assets	2,021,655	1,964,667	1,999,794

Note: In accordance with revisions in Electric Utility Accounting Regulations, wind power and geothermal power generation facilities are recorded as "Renewable Power Production Facilities" from the fiscal year ended March 31, 2010.

In the year ended March 31, 2013, "Overseas Business Facilities" was included in "Other Noncurrent Assets," but now it is listed separately from this consolidated accounting year due to the increase in monetary importance due to progress in the Thailand Project. To reflect this change in representation method, the consolidated financial statements from the previous year have been rearranged to conform to the new format.

(Millions of yen)

2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3
1,864,374	1,843,143	1,879,804	1,842,658	1,849,786	1,975,202	2,149,579
1,265,497	1,235,044	1,226,640	1,178,492	1,111,251	1,058,849	1,023,751
450,635	441,694	403,329	389,892	374,510	363,437	355,616
504,468	463,682	482,045	454,823	423,049	387,957	362,307
14,141	12,906	11,764	4,694	4,296	3,956	5,414
—	—	24,334	38,436	34,479	31,358	36,698
229,312	217,723	207,948	197,163	186,274	185,754	176,102
34,310	36,615	35,089	34,456	31,774	30,608	30,482
9,289	9,591	9,339	9,539	9,065	8,638	8,596
23,339	52,830	52,789	49,486	47,801	47,137	48,532
—	—	—	—	—	14,311	125,018
40,270	46,634	49,619	64,920	65,657	104,529	109,787
327,429	321,889	309,740	301,676	380,425	464,674	512,604
327,429	321,889	309,740	301,676	380,425	464,674	512,604
10,310	27,650	38,688	46,693	54,157	59,769	69,216
10,310	27,650	38,688	46,693	54,157	59,769	69,216
220,866	211,923	255,115	250,875	238,295	273,067	309,201
165,015	150,332	195,414	181,934	181,132	202,464	244,181
51,777	58,711	57,207	56,843	52,571	47,234	40,734
4,222	3,414	2,964	13,292	5,653	24,416	24,331
(149)	(534)	(471)	(1,196)	(1,062)	(1,047)	(45)
148,756	162,325	144,276	169,727	166,607	194,707	235,636
33,961	27,628	38,749	37,202	35,112	49,283	50,333
44,650	50,014	47,003	57,781	59,283	61,644	70,135
2,983	2,592	2,253	2,346	1,331	402	35,000
25,329	43,110	25,717	32,400	34,972	38,160	34,053
5,655	6,264	5,560	5,998	6,688	7,423	8,637
36,253	32,718	24,995	34,006	29,284	37,847	37,477
(77)	(2)	(2)	(9)	(63)	(54)	(0)
2,013,131	2,005,469	2,024,080	2,012,386	2,016,394	2,169,909	2,385,216

10-Year Consolidated Financial Data

(Millions of yen)

	2005/3	2006/3
Liabilities		
Noncurrent Liabilities	1,286,912	1,215,033
Bonds Payable	591,171	521,684
Long-Term Loans Payable	639,929	644,340
Provision for Retirement Benefits	45,729	36,233
Other Provision	460	417
Deferred Tax Liabilities	314	602
Other	9,307	11,756
Current Liabilities	340,405	313,999
Current Portion of Noncurrent Liabilities	111,163	106,772
Short-Term Loans Payable	50,750	24,436
Commercial Paper	105,000	111,000
Notes and Accounts Payable–Trade	11,053	9,936
Accrued Taxes	21,783	20,867
Other Provision	90	273
Deferred Tax Liabilities	0	0
Other	40,562	40,713
Reserves under Special Laws	1,798	1,399
Reserve for Fluctuation in Water Levels	1,798	1,399
Total Liabilities	1,629,115	1,530,432
Minority Interests	1,212	1,206

Shareholders' Equity

Common Stock	152,449	152,449
Capital Surplus	81,849	81,849
Retained Earnings	152,121	182,760
Unrealized Gain on Other Securities	6,207	14,050
Foreign Currency Translation Adjustments	(1,299)	1,935
Treasury Stock	(1)	(17)
Total Shareholders' Equity	391,327	433,028
Total Liabilities, Minority Interests and Shareholders' Equity	2,021,655	1,964,667

Liabilities

Noncurrent Liabilities
Bonds Payable
Long-Term Loans Payable
Lease Obligations
Provision for Retirement Benefits
Other Provision
Net Defined Benefit Liability
Asset Retirement Obligations
Deferred Tax Liabilities
Other
Current Liabilities
Current Portion of Noncurrent Liabilities
Short-Term Loans Payable
Commercial Paper
Notes and Accounts Payable–Trade
Accrued Taxes
Other Provision
Asset Retirement Obligations
Deferred Tax Liabilities
Other
Reserves under Special Laws
Reserve for Fluctuation in Water Levels
Total Liabilities

Net Assets

Shareholders' Equity
Capital Stock
Capital Surplus
Retained Earnings
Treasury Stock
Accumulated Other Comprehensive Income
Valuation Difference on Available-for-Sale Securities
Deferred Gains or Losses on Hedges
Foreign Currency Translation Adjustment
Remeasurements of Defined Benefit Plans
Minority Interests
Total Net Assets
Total Liabilities and Net Assets

(Millions of yen)

2007/3	2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3
1,193,139	1,276,354	1,304,830	1,346,526	1,319,146	1,324,663	1,402,287	1,522,905
573,229	602,903	717,867	689,883	734,898	714,914	694,930	691,346
576,615	624,495	513,239	580,925	500,913	522,407	608,977	741,509
—	—	520	811	1,093	983	982	981
32,611	39,083	51,931	57,855	57,069	58,015	59,012	—
474	553	1,098	1,111	16	25	36	43
—	—	—	—	—	—	—	49,071
—	—	—	—	3,620	4,585	3,971	6,644
1,260	1,462	2,352	3,459	5,869	6,390	7,801	14,730
8,948	7,856	17,820	12,479	15,666	17,339	26,574	18,579
341,844	267,097	317,379	261,837	277,563	284,761	313,311	342,714
173,638	101,565	120,700	142,923	162,958	166,342	196,999	207,968
2,115	6,126	9,098	13,327	17,528	18,443	18,475	20,318
95,944	88,949	109,971	24,998	11,999	12,999	3,999	—
13,248	14,790	10,144	14,804	20,112	20,011	25,049	33,197
8,752	11,407	16,317	7,952	21,322	11,408	10,811	8,791
528	555	713	855	317	325	273	302
—	—	—	—	473	626	1,495	245
21	2	9	5	11	4	3	9
47,595	43,700	50,423	56,970	42,839	54,599	56,202	71,880
2,155	1,560	1,146	734	777	777	425	119
2,155	1,560	1,146	734	777	777	425	119
1,537,140	1,545,012	1,623,356	1,609,099	1,597,487	1,610,202	1,716,024	1,865,739
444,956	464,266	408,036	426,680	435,760	441,369	460,673	478,860
152,449	152,449	152,449	152,449	152,449	152,449	152,449	152,449
81,849	81,849	81,849	81,849	81,849	81,849	81,849	81,849
210,713	230,032	236,998	255,643	264,724	270,334	289,639	307,829
(56)	(64)	(63,260)	(63,262)	(63,263)	(63,264)	(63,265)	(63,268)
16,230	2,116	(27,908)	(14,003)	(19,997)	(33,985)	(6,768)	37,350
14,271	1,934	(404)	2,960	(137)	(772)	4,855	9,030
(4,131)	(6,759)	(6,285)	(3,747)	611	(4,209)	(6,929)	1,772
6,090	6,941	(21,217)	(13,217)	(20,471)	(29,003)	(4,693)	22,955
—	—	—	—	—	—	—	3,592
1,468	1,735	1,984	2,304	(863)	(1,191)	(19)	3,265
462,654	468,118	382,112	414,981	414,898	406,192	453,885	519,477
1,999,794	2,013,131	2,005,469	2,024,080	2,012,386	2,016,394	2,169,909	2,385,216

Note: The "Accounting Standards for Retirement Benefits (Corporate Accounting Standard No. 26 of May 17, 2012) and the "Guidelines for Applying Accounting Standards for Retirement Benefits" (Corporate Accounting Standard Application Guideline No. 25 of May 17, 2012) are applied from the end of the year ended March 31, 2014.

Consolidated Statements of Income

	2005/3	2006/3	2007/3
Operating Revenues	594,375	621,933	573,277
Electric Utility Operating Revenue	547,960	573,198	523,782
Overseas Business Operating Revenue	—	—	—
Other Business Operating Revenue	46,414	48,734	49,494
Operating Expenses	482,489	520,464	496,136
Electric Utility Operating Expenses	431,678	469,720	444,463
Overseas Business Operating Expenses	—	—	—
Other Business Operating Expenses	50,810	50,744	51,673
Operating Income	111,885	101,469	77,141
Non-Operating Income	3,880	7,620	13,011
Dividends Income	1,241	1,937	1,384
Interest Income	846	711	899
Gain on Sales of Securities	—	—	—
Equity Income of Affiliates	—	2,042	5,560
Other	1,792	2,928	5,167
Non-Operating Expenses	58,673	41,182	34,639
Interest Expenses	50,881	35,732	22,585
Equity Loss of Affiliates	1,311	—	—
Foreign Exchange Losses	—	—	—
Other	6,479	5,449	12,054
Total Ordinary Revenue	598,255	629,553	586,289
Total Ordinary Expenses	541,162	561,646	530,775
Ordinary Income	57,093	67,906	55,513
Provision or Reversal of Reserve for Fluctuation in Water Levels	1,108	(399)	756
Provision of Reserve for Fluctuation in Water Levels	1,108	—	756
Reversal of Reserve for Fluctuation in Water Levels	—	(399)	—
Extraordinary Income	—	—	—
Distribution by Dissolution of Anonymous Association	—	—	—
Gain on Sales of Securities	—	—	—
Insurance Income	—	—	—
Extraordinary Loss	—	—	—
Disaster Recovery Expenses	—	—	—
Loss on Valuation of Securities	—	—	—
Loss on Liquidation of Business	—	—	—
Impairment Loss	—	—	—
Income before Income Taxes and Minority Interests	55,984	68,305	54,757
Income Taxes—Current	22,909	26,151	18,461
Income Taxes—Deferred	(2,511)	(1,488)	1,431
Total Income Taxes	20,397	24,663	19,893
Income before Minority Interests	—	—	—
Minority Interests in Income (Losses)	27	65	(302)
Net Income	35,559	43,577	35,167

Note: In the fiscal year ended March 31, 2013, "Overseas Business Operating Revenue" was included in "Other Business Operating Revenue," but now it is listed separately from the fiscal year ended March 31, 2014, due to the increase in monetary importance due to progress in the Thailand Project. To reflect this change in representation method, the consolidated financial statements from the fiscal year ended March 31, 2010, have been rearranged to conform to the new format.

In the fiscal year ended March 31, 2013, "Overseas Business Operating Expenses" was included in "Electricity Utility Operating Expenses" and "Other Business Operating Expenses," but now it is listed separately from the fiscal year ended March 31, 2014, as monetary importance has increased due to progress in the Thailand Project. To reflect this change in representation method, the consolidated financial statements from the fiscal year ended March 31, 2014, have been rearranged to conform to the new format.

In the fiscal year ended March 31, 2013, "Foreign Exchange Losses" which were included in "Other in Non-Operating Expenses," but now it is listed separately from the fiscal year ended March 31, 2014, due to the loss reaching more than 10% of non-operating expenses. To reflect this change in representation method, the consolidated financial statements from the previous year have been rearranged to conform to the new format.

(Millions of yen)

2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3
587,780	704,936	584,484	635,975	654,600	656,056	706,835
531,764	648,362	530,289	584,436	609,775	605,338	609,080
—	—	1,576	1,881	2,005	1,647	42,834
56,016	56,574	52,617	49,657	42,819	49,070	54,920
537,056	647,828	535,544	565,387	604,800	601,490	647,663
477,869	588,808	478,644	509,116	553,873	540,134	545,430
—	—	—	—	—	8,346	43,899
59,186	59,019	56,899	56,271	50,927	53,009	58,333
50,724	57,108	48,939	70,588	49,800	54,566	59,171
21,543	13,282	18,734	14,965	15,356	17,577	22,357
1,567	1,706	1,406	1,499	1,315	1,321	1,454
1,213	960	581	1,220	968	1,195	1,054
3,911	—	—	—	—	—	—
8,879	7,470	11,722	9,072	9,565	11,728	16,380
5,972	3,145	5,024	3,172	3,506	3,331	3,468
29,394	30,791	25,979	29,231	28,536	27,318	41,451
22,749	22,616	23,085	22,371	22,005	22,362	25,305
—	—	—	—	—	—	—
—	—	—	—	—	991	11,190
6,644	8,174	2,894	6,860	6,530	3,964	4,955
609,324	718,219	603,218	650,941	669,957	673,634	729,192
566,450	678,619	561,524	594,619	633,337	628,808	689,115
42,873	39,599	41,694	56,322	36,619	44,825	40,077
(595)	(413)	(411)	42	—	(351)	(306)
—	—	—	42	—	—	—
(595)	(413)	(411)	—	—	(351)	(306)
—	12,170	—	1,635	—	—	2,386
—	12,170	—	—	—	—	—
—	—	—	1,635	—	—	—
—	—	—	—	—	—	2,386
—	19,648	—	19,176	3,382	—	—
—	—	—	—	3,382	—	—
—	19,648	—	5,359	—	—	—
—	—	—	4,550	—	—	—
—	—	—	9,266	—	—	—
43,469	32,536	42,105	38,739	33,237	45,176	42,770
15,962	17,928	11,270	20,403	12,953	11,940	8,372
(1,829)	(4,945)	1,883	2,459	4,370	3,622	6,579
14,132	12,982	13,153	22,863	17,324	15,562	14,952
—	—	—	15,876	15,913	29,613	27,817
24	95	(197)	(3,707)	(200)	(194)	(876)
29,311	19,457	29,149	19,583	16,113	29,808	28,694

Consolidated Statements of Cash Flows

	2005/3	2006/3	2007/3
Cash Flows from Operating Activities			
Income before Income Taxes and Minority Interests	55,984	68,305	54,757
Depreciation and Amortization	125,339	135,019	123,083
Impairment Loss	1,959	729	347
Loss on Liquidation of Business	—	—	—
Loss on Retirement of Noncurrent Assets	3,748	2,735	2,710
Disaster Recovery Expenses	—	—	—
Increase (Decrease) in Provision for Retirement Benefits	(3,817)	(9,495)	(4,076)
Increase (Decrease) in Net Defined Benefit Liability	—	—	—
Increase (Decrease) in Reserve for Fluctuation in Water Levels	1,108	(399)	756
Interest and Dividends Income	(2,087)	(2,649)	(2,284)
Interest Expenses	50,881	35,732	22,585
Decrease (Increase) in Notes and Accounts Receivable—Trade	(2,874)	(3,244)	11,383
Decrease (Increase) in Inventories	(1,471)	(5,080)	(2,205)
Increase (Decrease) in Notes and Accounts Payable—Trade	1,151	(1,810)	2,295
Loss (Gain) on Sales of Securities	—	—	—
Loss (Gain) on Valuation of Securities	—	—	—
Equity (Income) Loss of Affiliates	1,311	(2,042)	(5,560)
Loss (Gain) on Sale of Noncurrent Assets	303	(167)	(379)
Distribution by Dissolution of Anonymous Association	—	—	—
Other, Net	6,504	15,987	2,250
Subtotal	238,042	233,621	205,665
Interest and Dividends Income Received	1,857	2,606	2,661
Interest Expenses Paid	(51,940)	(36,472)	(21,934)
Income Taxes Paid	(15,322)	(25,800)	(29,151)
Net Cash Provided by (Used in) Operating Activities	172,637	173,954	157,241
Cash Flows from Investing Activities			
Purchase of Noncurrent Assets	(57,825)	(68,449)	(95,889)
Proceeds from Contribution Received for Construction	4,386	7,881	8,383
Proceeds from Sales of Noncurrent Assets	543	1,396	1,520
Payments of Investments and Loans Receivable	(19,952)	(14,180)	(70,345)
Collections of Investments and Receivable	13,678	2,931	3,484
Purchase of Investments in Subsidiaries Resulting in Change in Scope of Consolidation	—	—	—
Proceeds from Purchase of Investments in Subsidiaries, Net of Cash Acquired	8	—	24
Proceeds from Sales of Investments in Subsidiaries Resulting in Change in Scope of Consolidation	—	—	—
Other, Net	(1,424)	(1,905)	(2,585)
Net Cash Provided by (Used in) Investing Activities	(60,586)	(72,326)	(155,407)
Cash Flows from Financing Activities			
Proceeds from Issuance of Bonds	89,952	149,360	89,636
Redemption of Bonds	(279,910)	(234,090)	(59,067)
Proceeds from Long-Term Loans Payable	73,600	131,587	62,811
Repayment of Long-Term Loans Payable	(64,497)	(117,473)	(47,749)
Increase in Short-Term Loans Payable	198,485	128,547	22,084
Decrease in Short-Term Loans Payable	(188,902)	(154,964)	(44,436)
Proceeds from Issuance of Commercial Paper	348,994	580,977	416,666
Redemption of Commercial Paper	(284,000)	(575,000)	(432,000)
Proceeds from Stock Issuance to Minority Shareholders	—	—	—
Purchase of Treasury Stock	—	—	—
Cash Dividends Paid	(5,410)	(12,472)	(9,989)
Cash Dividends Paid to Minority Shareholders	(108)	(71)	(84)
Other, Net	(1)	(15)	(39)
Net Cash Provided by (Used in) Financing Activities	(111,798)	(103,613)	(2,168)
Effect of Exchange Rate Change on Cash and Cash Equivalents	17	291	331
Net Increase (Decrease) in Cash and Cash Equivalents	270	(1,693)	(3)
Cash and Cash Equivalents at Beginning of Period	27,673	30,221	28,874
Increase (Decrease) in Cash from the Addition of Consolidated Subsidiaries	2,276	346	5,704
Cash and Cash Equivalents at the End of Period	30,221	28,874	34,575

(Millions of yen)

2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3
43,469	32,536	42,105	38,739	33,237	45,176	42,770
115,021	114,669	120,313	111,644	105,271	95,254	91,408
267	439	384	9,266	946	—	—
—	—	—	4,550	—	—	—
2,611	4,182	2,516	2,941	2,434	2,418	2,241
—	—	—	—	3,382	—	—
6,471	12,848	5,923	(779)	971	987	—
—	—	—	—	—	—	(4,800)
(595)	(413)	(411)	42	—	(351)	(306)
(2,780)	(2,666)	(1,987)	(2,720)	(2,284)	(2,517)	(2,508)
22,749	22,616	23,085	22,371	22,005	22,362	25,305
2,120	(6,040)	6,311	(10,753)	(1,607)	(2,133)	(7,753)
(4,375)	(17,637)	17,645	(6,132)	(2,488)	(3,133)	4,223
4,027	(1,109)	7,034	3,171	3,148	5,642	9,244
(3,911)	2	(231)	(1,450)	(484)	(620)	(280)
—	19,648	—	5,359	1,791	242	—
(8,879)	(7,470)	(11,722)	(9,072)	(9,565)	(11,728)	(16,380)
(1,004)	38	(590)	432	747	526	530
—	(12,170)	—	—	—	—	—
(6,398)	24,235	(10,205)	8,355	8,526	(8,742)	1,607
168,792	183,709	200,170	175,965	166,031	143,385	145,302
3,370	15,368	5,845	7,644	6,869	7,926	12,626
(22,453)	(22,079)	(22,987)	(22,881)	(21,765)	(21,974)	(25,131)
(13,458)	(18,369)	(13,880)	(9,492)	(25,244)	(9,552)	(10,687)
136,252	158,628	169,148	151,236	125,891	119,786	122,110
(134,723)	(173,119)	(114,967)	(115,827)	(133,711)	(165,201)	(176,982)
7,509	8,619	9,962	7,068	3,102	6,343	2,739
1,552	58,657	1,860	2,453	2,285	—	—
(35,965)	(27,643)	(23,456)	(14,184)	(6,068)	(1,347)	(1,149)
6,650	7,901	3,896	5,235	4,915	7,938	6,460
(1,280)	(2,611)	(495)	—	—	—	—
—	—	—	—	—	—	—
8,064	—	—	—	1,425	—	—
(4,325)	(4,154)	(6,305)	(9,419)	(8,802)	(18,101)	(8,443)
(152,518)	(132,350)	(129,504)	(124,675)	(136,852)	(170,369)	(177,375)
89,675	114,570	59,792	79,726	—	39,877	79,740
(38,384)	(60,300)	—	(88,000)	(35,000)	(20,000)	(63,599)
114,864	9,803	122,794	49,036	176,745	207,887	241,625
(135,532)	(41,287)	(121,555)	(53,988)	(127,173)	(146,048)	(158,518)
18,551	193,040	42,500	84,880	103,760	108,500	97,221
(14,549)	(190,023)	(38,294)	(80,680)	(103,070)	(110,038)	(95,374)
586,322	639,380	475,905	392,965	359,968	326,969	83,996
(594,000)	(619,000)	(561,000)	(406,000)	(359,000)	(336,000)	(88,000)
266	—	—	—	—	—	—
(7)	(63,195)	—	—	—	—	—
(9,989)	(12,499)	(10,503)	(10,503)	(10,502)	(10,501)	(10,504)
(42)	(20)	(2)	(8)	(196)	—	—
(7)	(83)	11	3,398	3,764	856	1,709
17,174	(29,615)	(30,351)	(29,172)	9,296	61,502	88,295
147	(2,764)	1,506	285	(585)	2,615	3,297
1,056	(6,101)	10,798	(2,326)	(2,248)	13,535	36,328
34,575	35,631	29,530	40,329	38,002	35,359	48,894
—	—	—	—	(394)	—	—
35,631	29,530	40,329	38,002	35,359	48,894	85,223

10-Year Consolidated Financial Data

Segment Information

	2005/3	2006/3	2007/3
Sales to Customers			
Electric Power Business	547,960	573,198	523,782
Electric Power-Related Business	—	—	26,996
Overseas Power Generation	—	—	—
Other Businesses	46,414	48,734	22,497
Consolidated	594,375	621,933	573,277
Operating Income			
Electric Power Business	99,270	87,057	61,436
Electric Power-Related Businesses	—	—	15,604
Other Businesses	12,026	13,797	1,156
Eliminations	589	613	(1,056)
Consolidated	111,885	101,469	77,141
Ordinary Income*¹			
Electric Power Business	—	—	—
Electric Power-Related Businesses	—	—	—
Overseas Power Generation	—	—	—
Other Businesses	—	—	—
Eliminations	—	—	—
Consolidated	—	—	—
Depreciation			
Electric Power Business	125,371	134,747	121,853
Electric Power-Related Businesses	—	—	3,387
Overseas Power Generation	—	—	—
Other Businesses	3,322	3,507	963
Eliminations	(3,354)	(3,235)	(3,121)
Consolidated	125,339	135,019	123,083
Increase in Tangible and Intangible Noncurrent Assets*²			
Electric Power Business	50,454	55,125	90,378
Electric Power-Related Businesses	—	—	5,470
Overseas Power Generation	—	—	—
Other Businesses	3,962	8,441	542
Eliminations	(3,492)	(2,705)	(5,687)
Consolidated	50,925	60,861	90,704

Notes: 1. From the fiscal year ended March 31, 2007, the segment that had been called "Other Business" has been divided into "Electric Power-Related Businesses" and "Other Businesses."

2. From the fiscal year ended March 31, 2011, the Company has increased the detail of its segmentation by shifting from a three-segment structure ("Electric Power Business," "Electric Power-Related Businesses," and "Other Businesses") to a four-segment structure ("Electric Power Business," "Electric Power-Related Businesses," "Overseas Power Generation," and "Other Businesses").

*1 From the fiscal year ended March 31, 2011, segment income is stated in terms of ordinary income rather than operating income.

*2 From the fiscal year ended March 31, 2011, segment investment is stated in terms of "increase in tangible and intangible noncurrent assets" rather than "capital expenditure."

(Millions of yen)

2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3
531,764	648,362	530,289	584,436	609,775	605,338	609,080
24,185	23,488	24,095	26,294	23,133	26,599	29,944
—	—	1,576	1,881	2,005	1,647	42,834
31,831	33,085	28,522	23,363	19,686	22,471	24,975
587,780	704,936	584,484	635,975	654,600	656,056	706,835
39,897	44,610	38,294	—	—	—	—
10,403	11,569	11,207	—	—	—	—
900	360	(301)	—	—	—	—
(478)	567	(260)	—	—	—	—
50,724	57,108	48,939	—	—	—	—
—	—	22,320	41,832	22,290	31,088	29,088
—	—	11,521	10,425	8,373	9,099	9,626
—	—	6,511	5,047	3,499	3,907	52
—	—	1,614	(1,517)	(3)	986	956
—	—	(273)	533	2,460	(256)	353
—	—	41,694	56,322	36,619	44,825	40,077
113,468	113,112	119,241	110,179	104,344	93,163	85,173
3,573	3,406	2,839	3,362	3,514	4,498	5,308
—	—	48	115	55	84	3,299
1,061	1,174	1,349	1,231	521	492	512
(3,082)	(3,023)	(3,166)	(3,244)	(3,164)	(2,984)	(2,884)
115,021	114,669	120,313	111,644	105,271	95,254	91,408
113,566	154,096	106,737	70,742	68,286	69,390	94,307
7,125	13,170	2,507	5,236	7,119	46,713	4,889
—	—	5,727	18,091	62,548	60,175	95,815
5,457	4,897	344	643	340	494	546
(4,093)	(36)	(3,084)	(1,584)	(570)	(1,667)	(532)
122,056	172,128	112,233	93,128	137,725	175,106	195,026

10-Year Non-Consolidated Financial Data

Non-Consolidated Balance Sheets

	2005/3	2006/3	2007/3
Assets			
Noncurrent Assets	1,856,227	1,791,860	1,802,277
Electric Utility Plant and Equipment	1,545,226	1,428,485	1,338,430
Hydroelectric Power Production Facilities	494,625	475,920	458,977
Thermal Power Production Facilities	691,781	619,059	562,071
Renewable Power Production Facilities	—	—	—
Transmission Facilities	280,726	261,139	246,578
Transformation Facilities	42,733	39,744	37,819
Communication Facilities	10,748	9,919	10,423
General Facilities	24,609	22,701	22,559
Incidental Business Facilities	399	493	1,825
Non-Operating Facilities	513	917	626
Construction in Progress	174,187	200,807	251,250
Construction in Progress	173,466	200,645	251,193
Retirement in Progress	720	161	56
Nuclear Fuel	—	—	—
Nuclear Fuel in Processing	—	—	—
Investments and Other Assets	135,901	161,155	210,144
Long-Term Investments	43,186	56,109	77,343
Long-Term Investments for Subsidiaries and Affiliates	63,263	78,577	106,808
Long-Term Prepaid Expenses	2,730	3,017	2,678
Deferred Tax Assets	26,721	23,796	23,759
Allowance for Doubtful Accounts	—	(344)	(446)
Current Assets	93,432	96,473	91,400
Cash and Deposits	7,505	6,501	5,008
Acceptance Receivable	—	3	—
Accounts Receivable—Trade	47,207	51,244	41,661
Other Accounts Receivable	6,667	5,721	5,424
Short-Term Investments	—	—	—
Supplies	11,999	16,471	18,439
Prepaid Expenses	1,122	1,228	1,125
Short-Term Receivables from Subsidiaries and Affiliates	7,142	5,124	6,521
Deferred Tax Assets	3,346	3,801	3,232
Other Current Assets	8,440	6,376	10,005
Allowance for Doubtful Accounts	—	—	(17)
Total Assets	1,949,660	1,888,333	1,893,678

Note: In accordance with revisions in Electric Utility Accounting Regulations, from the fiscal year ended March 31, 2010, geothermal power generation facilities are recorded as "Renewable Power Production Facilities."

(Millions of yen)

2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3
1,819,393	1,796,175	1,808,678	1,768,302	1,728,454	1,749,201	1,780,429
1,254,172	1,220,808	1,215,919	1,159,857	1,095,654	1,045,889	1,003,628
441,129	428,270	413,221	399,744	384,125	372,980	365,343
510,443	469,618	489,556	462,070	429,797	394,071	367,935
—	—	2,084	1,765	1,526	1,533	1,541
233,026	221,274	211,312	200,373	189,304	188,695	178,925
35,559	37,929	36,360	35,721	32,944	31,762	31,645
10,125	10,384	10,121	10,274	9,767	9,308	9,257
23,887	53,331	53,261	49,907	48,187	47,537	48,979
2,504	2,321	2,070	2,297	2,186	1,980	2,213
607	461	248	335	260	798	857
326,336	313,664	287,204	295,682	315,318	331,810	367,748
326,175	313,542	286,540	295,449	314,737	331,120	367,563
161	121	664	233	580	690	185
10,310	27,650	38,688	46,693	54,157	59,769	69,216
10,310	27,650	38,688	46,693	54,157	59,769	69,216
225,462	231,268	264,546	263,435	260,877	308,954	336,763
72,069	46,787	72,083	62,572	60,522	67,029	70,612
117,195	143,118	152,399	164,876	169,582	212,363	236,195
3,256	2,164	1,824	2,480	1,548	3,760	9,597
33,515	40,084	39,079	38,992	35,411	31,004	24,041
(574)	(886)	(840)	(5,485)	(6,188)	(5,204)	(3,682)
90,896	114,416	93,826	116,528	115,806	121,090	146,302
4,051	4,973	5,151	4,362	4,295	4,440	3,934
—	—	—	—	—	—	—
39,036	44,178	39,848	49,264	50,745	48,758	46,228
7,198	5,186	4,870	4,845	507	3,618	782
—	22	—	—	—	—	35,000
21,800	38,414	19,087	28,529	31,565	33,083	28,210
1,355	1,002	1,219	1,672	2,388	2,405	2,370
5,793	4,880	9,516	11,637	6,876	7,808	11,079
3,482	4,150	2,993	3,732	4,599	4,917	5,289
8,198	11,622	11,138	12,604	14,895	16,166	13,405
(20)	(14)	—	(121)	(65)	(108)	—
1,910,290	1,910,592	1,902,504	1,884,830	1,844,261	1,870,291	1,926,731

10-Year Non-Consolidated Financial Data

(Millions of yen)

	2005/3	2006/3
Liabilities		
Noncurrent Liabilities	1,253,566	1,182,685
Bonds Payable	591,171	521,684
Long-Term Loans Payable	619,495	625,039
Long-Term Accrued Liabilities	956	961
Provision for Retirement Benefits	34,409	25,089
Other Noncurrent Liabilities	7,533	9,910
Current Liabilities	324,157	305,531
Current Portion of Noncurrent Liabilities	107,593	103,954
Short-Term Loans Payable	47,000	23,000
Commercial Paper	105,000	111,000
Accounts Payable—Trade	3,446	3,495
Accounts Payable—Other	4,309	4,254
Accrued Expenses	10,994	9,961
Accrued Taxes	18,708	16,699
Deposits Received	236	229
Short-Term Debt to Subsidiaries and Affiliates	24,857	30,099
Other Advances	399	413
Other Current Liabilities	1,610	2,424
Reserves under Special Laws	1,798	1,399
Reserve for Fluctuation in Water Levels	1,798	1,399
Total Liabilities	1,579,522	1,489,616

Shareholders' Equity

Common Stock	152,449	152,449
Capital Surplus	81,852	81,852
Additional Paid-in Capital	81,852	81,852
Retained Earnings	129,979	150,819
Legal Reserve	6,029	6,029
Voluntary Reserve	74,887	94,897
Reserve for Loss from Overseas Investment, etc.	51	56
Reserve for Special Disaster	14	19
Exchange-Fluctuation	1,960	1,960
Preparation Reserve General Reserve	72,861	92,861
Unappropriated Retained Earnings at the End of the Term	49,062	49,892
Unrealized Gain on Securities	5,858	13,613
Treasury Stock	(1)	(17)
Total Shareholders' Equity	370,137	398,717
Total Liabilities and Shareholders' Equity	1,949,660	1,888,333

Liabilities

Noncurrent Liabilities
Bonds Payable
Long-Term Loans Payable
Long-Term Accrued Liabilities
Lease Obligations
Long-Term Debt to Subsidiaries and Affiliates
Provision for Retirement Benefits
Assets Retirement Obligations
Other Noncurrent Liabilities
Current Liabilities
Current Portion of Noncurrent Liabilities
Short-Term Loans Payable
Commercial Paper
Accounts Payable—Trade
Accounts Payable—Other
Accrued Expenses
Accrued Taxes
Deposits Received
Short-Term Debt to Subsidiaries and Affiliates
Other Advances
Other Current Liabilities
Reserves under Special Laws
Reserve for Fluctuation in Water Levels
Total Liabilities

Net Assets

Shareholders' Equity
Capital Stock
Capital Surplus
Legal Capital Surplus
Retained Earnings
Legal Retained Earnings
Other Retained Earnings
Reserve for Special Disaster
Exchange-Fluctuation Preparation Reserve
General Reserve
Retained Earnings Brought Forward
Treasury Stock
Valuation and Translation Adjustments
Valuation Difference on Available-for-Sale Securities
Deferred Gains or Losses on Hedges
Total Net Assets
Total Liabilities and Net Assets

(Millions of yen)

2007/3	2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3
1,136,290	1,241,004	1,256,467	1,302,695	1,257,747	1,211,719	1,206,654	1,226,516
573,229	602,903	717,867	689,883	734,898	714,914	694,930	691,346
533,539	599,350	481,577	550,955	461,256	429,373	438,228	479,549
4	3	2	1	0	—	—	269
—	—	133	218	314	392	374	342
17	2,767	3,073	4,887	5,709	5,192	4,999	4,932
21,543	28,585	41,439	46,351	45,259	46,053	47,155	42,089
—	—	—	—	158	175	189	202
7,955	7,395	12,373	10,396	10,149	15,617	20,777	7,784
343,441	262,882	316,383	252,974	277,226	285,725	304,261	325,406
170,884	98,995	117,815	136,703	159,747	163,166	192,821	201,395
2,000	6,000	9,000	12,750	17,350	18,350	18,350	18,350
95,944	88,949	109,971	24,998	11,999	12,999	3,999	—
3,713	3,649	1,220	4,452	5,055	2,194	2,375	1,839
12,219	4,771	8,040	9,892	2,970	3,094	2,843	8,362
10,643	9,598	11,349	10,407	9,760	10,191	10,276	9,519
4,404	8,920	13,539	3,790	18,821	8,877	7,201	4,919
389	279	261	278	282	454	474	308
41,041	39,932	42,331	47,298	47,634	60,697	59,093	74,979
334	444	938	583	1,034	666	741	694
1,865	1,341	1,916	1,818	2,569	5,032	6,081	5,037
2,155	1,560	1,146	734	777	777	425	119
2,155	1,560	1,146	734	777	777	425	119
1,481,888	1,505,447	1,573,998	1,556,404	1,535,751	1,498,222	1,511,341	1,552,042
398,912	403,672	338,012	343,879	348,159	346,824	354,914	366,524
152,449	152,449	152,449	152,449	152,449	152,449	152,449	152,449
81,852	81,852	81,852	81,852	81,852	81,852	81,852	81,852
81,852	81,852	81,852	81,852	81,852	81,852	81,852	81,852
164,667	169,436	166,971	172,839	177,121	175,787	183,878	195,491
6,029	6,029	6,029	6,029	6,029	6,029	6,029	6,029
158,638	163,406	160,941	166,810	171,092	169,758	177,848	189,462
38	47	50	53	57	70	77	82
1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960
117,861	132,861	137,861	137,861	142,861	147,861	147,861	152,861
38,778	28,538	21,070	26,935	26,213	19,866	27,950	34,558
(56)	(64)	(63,260)	(63,262)	(63,263)	(63,264)	(63,265)	(63,268)
12,877	1,169	(1,417)	2,220	919	(785)	4,035	8,164
12,761	1,068	(1,214)	2,634	(479)	(1,158)	4,281	8,154
116	101	(203)	(414)	1,399	373	(245)	9
411,789	404,842	336,594	346,099	349,079	346,039	358,950	374,689
1,893,678	1,910,290	1,910,592	1,902,504	1,884,830	1,844,261	1,870,291	1,926,731

10-Year Non-Consolidated Financial Data

Non-Consolidated Statements of Income

	2005/3	2006/3	2007/3
Operating Revenues	546,702	566,016	517,273
Electric Utility Operating Revenues	540,665	558,306	510,248
Sold Power to Other Suppliers	476,335	495,061	450,034
Transmission Revenue	61,194	58,255	55,184
Other Electricity Revenue	3,136	4,989	5,029
Incidental Business Operating Revenue	6,037	7,709	7,024
Operating Expenses	447,964	480,041	456,433
Electric Utility Operating Expenses	442,754	473,056	450,203
Hydroelectric Power Production Expenses	68,883	69,844	63,728
Thermal Power Production Expenses	262,271	308,191	290,013
Renewable Power Production Expenses	—	—	—
Purchased Power from Other Suppliers	—	81	433
Transmission Expenses	32,391	35,250	30,502
Transformation Expenses	7,577	6,737	6,595
Selling Expenses	948	1,439	1,237
Communicating Expenses	5,384	5,655	6,191
General and Administrative Expenses	58,229	38,571	44,837
Enterprise Tax	7,067	7,285	6,662
Incidental Business Operating Expenses	5,210	6,985	6,229
Operating Income	98,738	85,974	60,840
Non-Operating Income	3,871	5,218	8,386
Financial Revenue	2,683	3,327	4,521
Dividends Income	1,841	2,521	3,586
Interest Income	842	806	935
Non-Operating Revenue	1,187	1,890	3,865
Gain on Sales of Noncurrent Assets	16	111	370
Miscellaneous Revenue	1,171	1,779	3,494
Non-Operating Expenses	55,193	39,958	31,686
Financial Expenses	51,044	35,737	21,565
Interest Expenses	50,374	35,088	21,276
Amortization of Stock Issue Expenses	—	10	—
Bond Issue Cost	—	—	288
Amortization of Bond Issue Expenses	621	590	—
Amortization of Bond Issue Discount	48	49	—
Non-Operating Expenses	4,149	4,220	10,121
Loss on Sales of Noncurrent Assets	23	126	4
Miscellaneous Expenses	4,126	4,094	10,117
Total Ordinary Revenue	550,573	571,234	525,659
Total Ordinary Expenses	503,158	520,000	488,119
Ordinary Income	47,415	51,234	37,540
Provision or Reversal of Reserve for Fluctuation in Water Levels	1,108	(399)	756
Provision of Reserve for Fluctuation in Water Levels	1,108	—	756
Reversal of Reserve for Fluctuation in Water Levels	—	(399)	—
Extraordinary Income	—	—	—
Distribution by Dissolution of Anonymous Association	—	—	—
Gain on Extinguishment of Tie-in Shares	—	—	—
Gain on Sales of Securities	—	—	—
Extraordinary Loss	—	—	—
Disaster Recovery Expenses	—	—	—
Loss on Valuation of Securities	—	—	—
Provision of Allowance for Doubtful Accounts for Subsidiaries and Affiliates	—	—	—
Loss on Liquidation of Business	—	—	—
Income before Income Taxes	46,306	51,633	36,783
Income Taxes—Current	18,151	20,143	11,865
Income Taxes—Deferred	(3,111)	(1,892)	1,020
Total Income Taxes	15,039	18,250	12,886
Net Income	31,266	33,382	23,897

Note: In accordance with revisions in Electric Utility Accounting Regulations, from the fiscal year ended March 31, 2010, geothermal power generation facilities-related costs are recorded as "Renewable Power Production Expenses."

(Millions of yen)

2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3
529,250	645,850	530,436	583,213	599,973	586,993	582,861
517,318	631,452	518,682	573,878	590,553	577,284	572,937
457,292	571,282	458,688	514,640	532,915	520,620	516,701
54,934	55,414	54,402	54,343	53,059	52,632	52,182
5,090	4,755	5,591	4,894	4,579	4,031	4,054
11,932	14,398	11,753	9,335	9,419	9,708	9,923
489,363	601,122	489,531	520,569	557,628	543,659	542,396
478,579	588,224	479,085	513,395	549,010	534,765	533,444
61,114	68,281	60,904	60,005	66,325	60,762	60,633
312,292	402,159	319,569	358,156	381,201	377,701	383,857
—	—	802	976	2,274	2,036	926
1,214	80	15	1,388	3,428	256	520
28,680	28,475	27,523	26,943	29,031	26,586	27,054
6,621	7,020	6,785	6,453	5,968	6,623	6,218
1,546	1,307	1,225	1,223	1,482	2,570	3,197
6,000	6,242	6,275	6,480	6,360	5,815	4,714
54,353	66,407	49,349	44,466	45,429	45,040	39,018
6,756	8,250	6,634	7,300	7,508	7,371	7,301
10,783	12,897	10,446	7,174	8,617	8,894	8,952
39,887	44,728	40,904	62,644	42,344	43,333	40,464
9,844	6,617	6,463	6,348	9,089	8,304	14,773
5,332	4,933	3,547	4,649	6,726	6,063	11,700
4,275	3,775	2,346	3,403	5,401	4,395	10,275
1,057	1,158	1,200	1,246	1,325	1,668	1,425
4,512	1,683	2,916	1,699	2,362	2,241	3,072
1,067	5	600	82	76	109	89
3,444	1,678	2,316	1,616	2,286	2,131	2,983
27,648	28,950	23,576	25,800	25,756	22,799	24,177
21,937	22,294	22,175	21,627	20,525	20,707	20,348
21,648	21,915	21,967	21,353	20,525	20,585	20,088
—	—	—	—	—	—	—
288	379	207	273	—	122	259
—	—	—	—	—	—	—
—	—	—	—	—	—	—
5,710	6,655	1,400	4,173	5,230	2,091	3,829
2	32	—	625	643	630	631
5,708	6,622	1,400	3,547	4,587	1,461	3,197
539,095	652,468	536,899	589,561	609,062	595,298	597,635
517,011	630,072	513,107	546,370	583,384	566,459	566,574
22,083	22,395	23,791	43,191	25,677	28,839	31,060
(595)	(413)	(411)	42	—	(351)	(306)
—	—	—	42	—	—	—
(595)	(413)	(411)	—	—	(351)	(306)
—	14,472	—	1,635	—	—	—
—	12,170	—	—	—	—	—
—	2,301	—	—	—	—	—
—	—	—	1,635	—	—	—
—	19,647	—	13,757	3,434	—	—
—	—	—	—	3,434	—	—
—	19,647	—	6,092	—	—	—
—	—	—	4,255	—	—	—
—	—	—	3,408	—	—	—
22,678	17,635	24,203	31,027	22,243	29,190	31,367
11,338	13,389	6,660	16,395	10,148	7,999	4,375
(3,421)	(5,781)	1,170	(153)	2,924	2,596	4,874
7,917	7,608	7,831	16,242	13,073	10,595	9,250
14,761	10,026	16,372	14,785	9,169	18,594	22,117

Major Group Companies

(As of March 31, 2014)

	Company Name	Main Businesses	Equity Stake (%)
Consolidated Subsidiaries	Electric Power Business		
	Bay Side Energy Co., Ltd.	Electric power supply	100.0
	Mihama Seaside Power Co., Ltd.	Electric power supply	100.0
	ITOIGAWA POWER Inc.	Electric power supply	80.0
	Ichihara Power Co., Ltd.	Electric power supply	60.0
	J-Wind Co., Ltd.	Construction and operation of wind power plants	100.0
	Green Power Aso Co., Ltd.	Construction and operation of wind power plants	100.0
	Sarakitomanai Wind Power Co., Ltd.	Construction and operation of wind power plants	100.0
	Japan Clean Energy Development Co., Ltd.	Construction and operation of wind power plants	100.0
	Minami Kyushu Wind Power Co., Ltd.	Construction and operation of wind power plants	98.8
	Nagasaki-Shikamachi Wind Power Co., Ltd.	Construction and operation of wind power plants	70.0
	Nikaho-Kogen Wind Power Co., Ltd.	Construction and operation of wind power plants	67.0
	and 2 companies		
	Electric Power-Related Business		
	JPec Co., Ltd.	Construction, technical development, design, consulting, maintenance, and research for thermal and nuclear power plants; unloading and transporting of coal to thermal power plants; sale of fly ash; shipping of coal for thermal power plants; research and planning of environmental conservation	100.0
	JPHYTECH Co., Ltd.	Construction, technical development, design, consulting, maintenance, and research for hydroelectric power plants, substations, and transmission lines; surveying and compensation of construction sites; civil engineering, construction management, and construction services	100.0
	JP Business Service Corporation	Operation of welfare facilities; facility maintenance; business process outsourcing; development of computer software	100.0
	KEC Corporation	Construction and maintenance of electronic and communications facilities	100.0
	JP Design Co., Ltd.	Design, management, and research for electric power facilities and other facilities and construction consulting	100.0
	J-POWER RESOURCES Co., Ltd.	Import, sales, and transportation of coal	100.0
	J-POWER AUSTRALIA PTY. LTD.	Investments in coal mines in Australia	100.0
	JPOWER GENEX CAPITAL Co., Ltd.	Management of IPP projects	100.0
	J-Wind Service Co., Ltd.	Maintenance and operation of wind power plants	100.0
	J-POWER EnTech Co., Inc.	Engineering services for atmospheric and water pollutant removal equipment	100.0
	Miyazaki Wood Pellet Co., Ltd.	Operation of manufacturing facilities of wood pellets	98.3
	JM Activated Coke, Inc.	Manufacturing, sales, and marketing of activated coke	90.0
	EPDC CoalTech and Marine Co., Ltd.	Marine transportation of ash and fly ash from thermal power plants	100.0 (100.0)
	and 12 companies		
	Overseas Business		
	J-Power Investment Netherlands B.V.	Management of overseas investments	100.0
	J-POWER Holdings (Thailand) Co., Ltd.	Management of overseas investments	100.0 (100.0)
	J-POWER Generation (Thailand) Co., Ltd.	Management of overseas investments and research and development projects	100.0 (100.0)
	Gulf JP Co., Ltd.	Management of overseas investments	90.0 (90.0)
	J-POWER North America Holdings Co., Ltd.	Management of overseas investments	100.0
	J-POWER USA Investment Co., Ltd.	Management of overseas investments	100.0 (100.0)
J-POWER USA Development Co., Ltd.	Management of overseas investments and research and development projects	100.0 (100.0)	
J-POWER Consulting (China) Co., Ltd.	Management of overseas investments and research and development projects	100.0	
and 19 companies			
Other Businesses			
Kaihatsu Hiryou Co., Ltd.	Production and sales of fertilizer using ash	100.0	
Japan Network Engineering Co., Ltd.	Telecommunications; operation and maintenance of telecommunications facilities	100.0	
Omuta Plant Service Co., Ltd.	Operation and maintenance of waste-fueled power generation plant	100.0	
Biocoal Osaka-Hirano Co., Ltd.	Construction, operation, and other services for facilities that process sewage into fuel	60.0	
Green Coal Saikai Co., Ltd.	Construction, operation, and other services for facilities that process non-industrial waste into fuel	60.0	
and 2 companies			

	Company Name	Main Businesses	Equity Stake (%)	
Affiliates Accounted for by the Equity Method	Electric Power Business			
	Kashima Power Co., Ltd.	Electric power supply	50.0	
	Setouchi Power Corporation	Electric power supply	50.0	
	TOSA POWER Inc.	Electric power supply	45.0	
	GENEX Co., Ltd.	Electric power supply	40.0 (40.0)	
	Osaki CoolGen Corporation	Testing of integrated coal gasification combined cycle and separation and capture of CO ₂	50.0	
	Yuzawa Geothermal Power Generation Corporation	Research for commercial development of geothermal resources, development and supply of geothermal resources, and electric power supply	50.0	
	Overseas Business			
	Gulf Electric Public Co., Ltd.	Management of overseas investments	49.0 (49.0)	
	EGCO Green Energy Co., Ltd.	Management of overseas investments	26.0 (26.0)	
	JM Energy Co., Ltd.	Management of overseas investments	50.0	
	EGCO Cogeneration Co., Ltd.	Electric power supply	20.0 (20.0)	
	Roi-Et Green Co., Ltd.	Electric power supply	— [95.0]	
	J-POWER USA Generation, L.P.	Management of overseas investments	50.0 (50.0)	
	Birchwood Power Partners, L.P.	Electric power supply	50.0 (50.0)	
	Green Country Energy, LLC	Electric power supply	— [100.0]	
	Pinelawn Power LLC	Electric power supply	— [100.0]	
	Equus Power I, L.P.	Electric power supply	— [100.0]	
	Edgewood Energy, LLC	Electric power supply	— [100.0]	
	Shoreham Energy, LLC	Electric power supply	— [100.0]	
	Orange Grove Energy, L.P.	Electric power supply	— [100.0]	
	Elwood Energy, LLC	Electric power supply	— [50.0]	
	Tenaska Virginia Partners, L.P.	Electric power supply	— [30.0]	
	Tenaska Frontier Partners, Ltd.	Electric power supply	— [25.0]	
	China Resources Power (Hezhou) Co., Ltd.	Electric power supply	— [100.0]	
	Shaanxi Hanjiang Investment & Development Co., Ltd.	Electric power supply	27.0	
	ShanXi TianShi Power Generation Co., Ltd.	Electric power supply	24.0	
	Chiahui Power Corporation	Electric power supply	40.0 (40.0)	
	CBK Netherlands Holdings B.V.	Management of overseas investments	50.0 (50.0)	
	CBK Power Co., Ltd.	Operation of hydroelectric and pumped-storage electric power plants	— [100.0]	
	Zajaczkowo Windfarm Sp. z o.o.	Construction and operation of wind power plants	50.0 (50.0)	
		and 52 companies		

- Notes: 1. The equity stake values in percentages are indirect holding ratios, while those shown in brackets are the ratios held by a closely related party or parties in agreement.
2. JPec Co., Ltd., J-POWER RESOURCES Co., Ltd., J-POWER AUSTRALIA PTY., LTD., J-POWER Holdings (Thailand) Co., Ltd. and Gulf JP Co., Ltd. are specified subsidiaries.

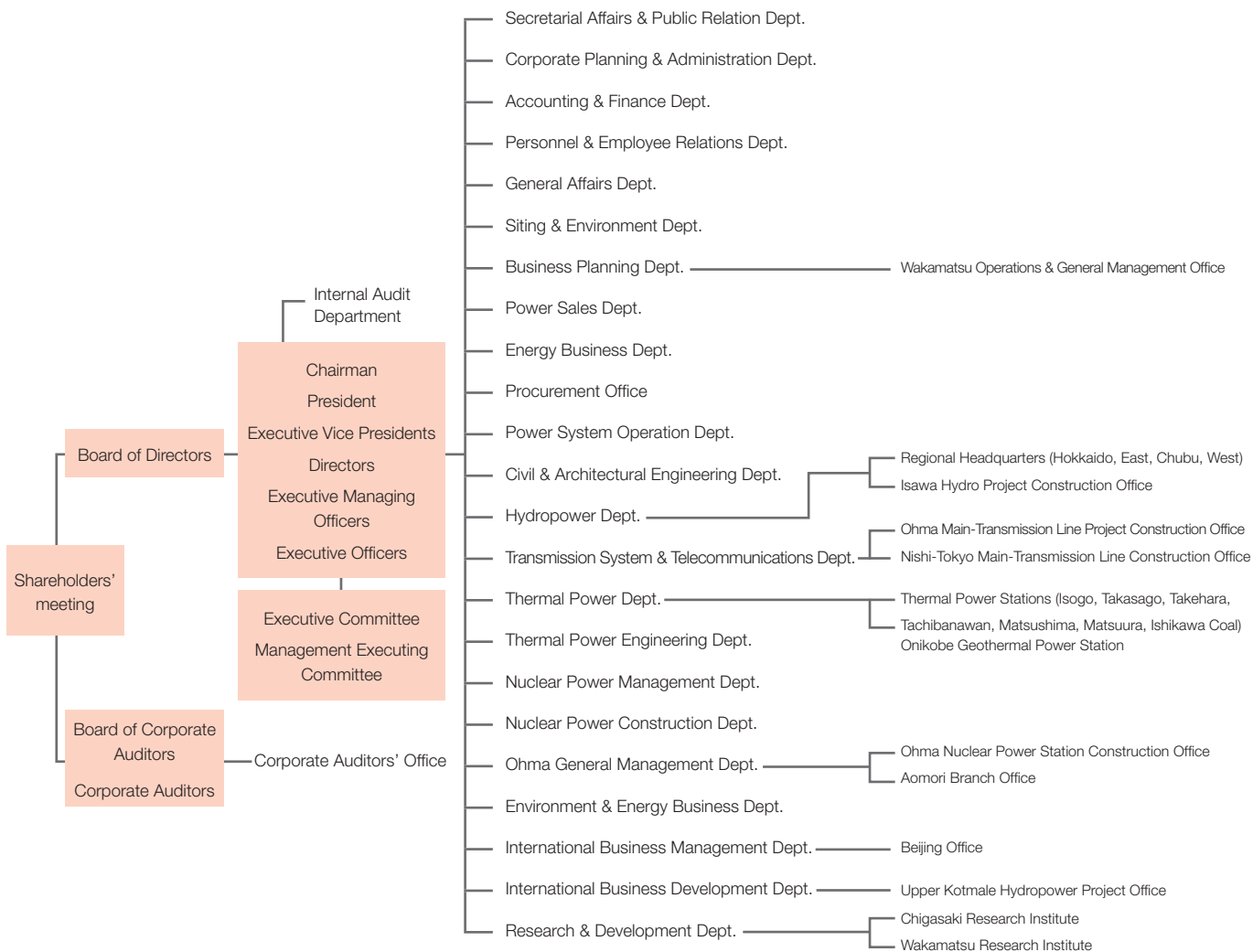
Corporate Profile/Stock Information

(As of March 31, 2014)

Corporate Name	Electric Power Development Co., Ltd.
Communication Name	J-POWER
Date of Establishment	Sept. 16, 1952
Headquarters Address	15-1, Ginza 6-chome, Chuo-ku, Tokyo 104-8165, Japan
Paid-in Capital	¥152,449,600,000
Number of Shares Authorized	660,000,000
Number of Shares Outstanding	166,569,600
Number of Shareholders	32,727
Stock Exchange Listing	Tokyo
Independent Public Accountants	Ernst & Young ShinNihon LLC
Transfer Agent	Sumitomo Mitsui Trust Bank, Limited

Organization Chart

(As of July 1, 2014)



Main Subsidiaries

- J-POWER Generation (Thailand) Co., Ltd.
- J-POWER USA Development Co., Ltd.
- J-POWER Consulting (China) Co., Ltd.

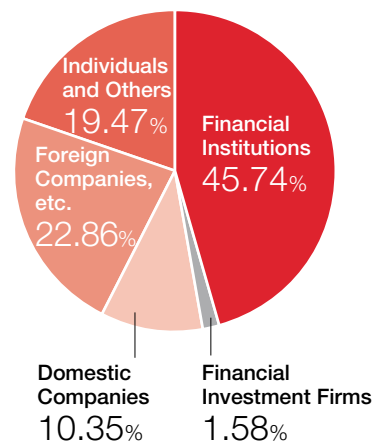
Major Shareholders (Top 10)

(As of March 31, 2014)

Name or Designation	Number of Shares Held (Thousands of Shares)	Percentage of Total Shares Outstanding (%)
Nippon Life Insurance Company	9,120	5.48
Mizuho Corporate Bank, Ltd.	7,465	4.48
Japan Trustee Services Bank, Ltd. (Trust Account)	6,982	4.19
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,504	3.90
Sumitomo Mitsui Banking Corporation	4,295	2.58
J-POWER Employees Shareholding Association	3,917	2.35
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,331	2.00
Fukoku Life Insurance Company	2,750	1.65
JP MORGAN CHASE BANK 385078	2,252	1.35
Sumitomo Mitsui Trust Bank, Limited	2,247	1.35

* In Addition to above, J-POWER has 16,518,311 shares.

Breakdown of Issued Shares by Type of Shareholders



Note: Treasury stock of 16,518,311 shares is included in "Individuals and Others."

Common Stock Price Range

Stock Price (Yen)





Electric Power Development Co., Ltd.

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Printed in Japan
2014. 8