



**2020**

**J-POWER Group  
FINANCIAL STATEMENTS**

# Consolidated Balance Sheet

As of March 31	Millions of yen	
	2019	2020
<b>ASSETS</b>		
<b>Noncurrent assets</b>	¥2,401,671	¥2,471,347
Electric utility plant and equipment	944,323 <sup>1) 2) 6)</sup>	965,082 <sup>1) 2) 6)</sup>
Hydroelectric power production facilities	351,141	353,720
Thermal power production facilities	302,274	296,715
Internal combustion engine power production facilities	2,967	2,377
Renewable power production facilities	44,169	72,492
Transmission facilities	150,699	147,922
Transformation facilities	29,833	28,896
Communication facilities	8,552	8,597
General facilities	54,684	54,359
Overseas business facilities	312,128 <sup>2) 6)</sup>	316,333 <sup>2) 6)</sup>
Other noncurrent assets	94,836 <sup>1) 2)</sup>	90,924 <sup>1) 2)</sup>
Construction in progress	582,083 <sup>6)</sup>	647,160 <sup>6) 8)</sup>
Construction and retirement in progress	582,083	647,160
Nuclear fuel	74,514	74,812
Nuclear fuel in processing	74,514	74,812
Investments and other assets	393,785	377,033
Long-term investments	313,339 <sup>3) 6)</sup>	288,706 <sup>3) 6) 8)</sup>
Deferred tax assets	53,321	59,413
Other	27,123 <sup>6)</sup>	28,994 <sup>6)</sup>
Allowance for doubtful accounts	— <sup>6)</sup>	(81)
<b>Current assets</b>	364,508	334,043
Cash and deposits	121,187 <sup>6)</sup>	159,325 <sup>6)</sup>
Notes and accounts receivable-trade	84,686 <sup>6)</sup>	80,466 <sup>6)</sup>
Inventories	53,483 <sup>4)</sup>	50,375 <sup>4)</sup>
Other	105,149 <sup>6)</sup>	43,876 <sup>6)</sup>
Allowance for doubtful accounts	—	(0)
<b>Total assets</b>	¥2,766,179	¥2,805,390

Millions of yen

As of March 31

	2019	2020
<b>LIABILITIES</b>		
<b>Noncurrent liabilities</b>	¥1,622,378	¥1,642,354
Bonds payable	614,992	604,993
Long-term loans payable	852,269 <sup>6)</sup>	865,369 <sup>6)</sup>
Lease obligations	1,106	2,218
Other provision	30 <sup>5)</sup>	29 <sup>5)</sup>
Net defined benefit liability	57,790	60,119
Asset retirement obligations	29,023	30,877
Deferred tax liabilities	19,455	16,715
Other	47,709	62,031
<b>Current liabilities</b>	298,219	305,648
Current portion of noncurrent liabilities	159,335 <sup>6)</sup>	161,013 <sup>6)</sup>
Short-term loans payable	15,278	14,952
Notes and accounts payable-trade	25,457	28,729
Accrued taxes	17,155	19,430
Other provision	678 <sup>5)</sup>	622 <sup>5)</sup>
Asset retirement obligations	368	386
Other	79,946	80,514
<b>Total liabilities</b>	1,920,597	1,948,003
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>	777,699	806,197
Capital stock	180,502	180,502
Capital surplus	119,927	119,877
Retained earnings	477,276	505,825
Treasury stock	(7)	(8)
<b>Accumulated other comprehensive income</b>	19,760	1,567
Valuation difference on available-for-sale securities	12,482	6,156
Deferred gains or losses on hedges	(7,293)	(23,263)
Foreign currency translation adjustment	17,551	22,479
Remeasurements of defined benefit plans	(2,979)	(3,806)
<b>Non-controlling interests</b>	48,123	49,623
<b>Total net assets</b>	845,582	857,387
<b>Total liabilities and net assets</b>	¥2,766,179	¥2,805,390

# Consolidated Statement of Income

Year ended March 31	Millions of yen	
	2019	2020
<b>Operating revenue</b>	¥897,366	¥913,775
Electric utility operating revenue	693,790	684,155
Overseas business operating revenue	141,024	179,094
Other business operating revenue	62,551	50,525
<b>Operating expenses</b>	818,521 <sup>1) 2)</sup>	830,136 <sup>1) 2)</sup>
Electric utility operating expenses	652,781	629,287
Overseas business operating expenses	112,003	151,810
Other business operating expenses	53,737	49,039
<b>Operating income</b>	78,844	83,638
<b>Non-operating income</b>	18,894	26,537
Dividend income	1,592	1,465
Interest income	1,357	1,264
Share of profit of entities accounted for using equity method	9,657	11,320
Foreign exchange gains	742	7,498
Other	5,545	4,989
<b>Non-operating expenses</b>	29,200	32,091
Interest expenses	26,377	26,293
Other	2,822 <sup>4)</sup>	5,797
<b>Total ordinary revenue</b>	916,261	940,313
<b>Total ordinary expenses</b>	847,722	862,228
<b>Ordinary income</b>	68,539	78,085
<b>Extraordinary losses</b>	—	12,497
Loss from operations of subsidiaries and associates	—	8,911 <sup>3)</sup>
Impairment losses	—	3,586 <sup>4)</sup>
<b>Profit before income taxes</b>	68,539	65,587
Income taxes-current	17,149	15,611
Income taxes-deferred	(3,947)	(3,620)
<b>Total income taxes</b>	13,201	11,990
<b>Profit</b>	55,337	53,596
<b>Profit attributable to non-controlling interests</b>	9,084	11,319
<b>Profit attributable to owners of parent</b>	¥46,252	¥42,277

# Consolidated Statement of Comprehensive Income

Millions of yen

Year ended March 31

	2019	2020
<b>Profit</b>	¥55,337	¥53,596
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(4,420)	(6,426)
Deferred gains or losses on hedges	1,047	(11,084)
Foreign currency translation adjustment	(11,780)	5,922
Remeasurements of defined benefit plans, net of tax	(3,889)	(828)
Share of other comprehensive income of entities accounted for using equity method	(2,103)	(7,552)
Total other comprehensive income	(21,147) <sup>1)</sup>	(19,969) <sup>1)</sup>
<b>Comprehensive income</b>	34,189	33,627
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	23,898	24,083
Comprehensive income attributable to non-controlling interests	¥10,291	¥9,543

# Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2019

Millions of yen

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
<b>Balance at the beginning of current year</b>	¥180,502	¥119,927	¥444,753	¥(6)	¥745,176
<b>Changes of items during year</b>					
Dividends of surplus			(13,728)		(13,728)
Profit attributable to owners of parent			46,252		46,252
Purchase of treasury shares				(1)	(1)
Change in ownership interest of parent due to transactions with non-controlling interests		—			—
Net changes of items other than shareholders' equity					
<b>Total changes of items during year</b>	—	—	32,523	(1)	32,522
<b>Balance at the end of current year</b>	¥180,502	¥119,927	¥477,276	¥(7)	¥777,699

	Accumulated other comprehensive income						Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
<b>Balance at the beginning of current year</b>	¥16,822	¥(6,580)	¥30,960	¥912	¥42,114	¥48,833	¥836,124
<b>Changes of items during year</b>							
Dividends of surplus							(13,728)
Profit attributable to owners of parent							46,252
Purchase of treasury shares							(1)
Change in ownership interest of parent due to transactions with non-controlling interests							—
Net changes of items other than shareholders' equity	(4,339)	(712)	(13,409)	(3,892)	(22,354)	(710)	(23,064)
<b>Total changes of items during year</b>	(4,339)	(712)	(13,409)	(3,892)	(22,354)	(710)	9,457
<b>Balance at the end of current year</b>	¥12,482	¥(7,293)	¥17,551	¥(2,979)	¥19,760	¥48,123	¥845,582

For the year ended March 31, 2020

Millions of yen

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
<b>Balance at the beginning of current year</b>	¥180,502	¥119,927	¥477,276	¥(7)	¥777,699
<b>Changes of items during year</b>					
Dividends of surplus			(13,728)		(13,728)
Profit attributable to owners of parent			42,277		42,277
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests			(50)		(50)
Net changes of items other than shareholders' equity					
<b>Total changes of items during year</b>	—	(50)	28,548	(0)	28,497
<b>Balance at the end of current year</b>	¥180,502	¥119,877	¥505,825	¥(8)	¥806,197

	Accumulated other comprehensive income						Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
<b>Balance at the beginning of current year</b>	¥12,482	¥(7,293)	¥17,551	¥(2,979)	¥19,760	¥48,123	¥845,582
<b>Changes of items during year</b>							
Dividends of surplus							(13,728)
Profit attributable to owners of parent							42,277
Purchase of treasury shares							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							(50)
Net changes of items other than shareholders' equity	(6,325)	(15,969)	4,928	(826)	(18,193)	1,500	(16,693)
<b>Total changes of items during year</b>	(6,325)	(15,969)	4,928	(826)	(18,193)	1,500	11,804
<b>Balance at the end of current year</b>	¥6,156	¥(23,263)	¥22,479	¥(3,806)	¥1,567	¥49,623	¥857,387

# Consolidated Statement of Cash Flows

Millions of yen

Year ended March 31	2019	2020
<b>Cash flows from operating activities</b>		
Profit before income taxes	¥68,539	¥65,587
Depreciation and amortization	79,979	83,009
Impairment loss	632	3,586
Loss on retirement of noncurrent assets	4,786	3,963
Loss from operations of subsidiaries and associates	—	8,911
Increase (decrease) in net defined benefit liability	(2,777)	1,161
Interest and dividend income	(2,950)	(2,729)
Interest expenses	26,377	26,293
Decrease (increase) in notes and accounts receivable-trade	6,211	5,818
Decrease (increase) in inventories	(1,315)	3,926
Increase (decrease) in notes and accounts payable-trade	3,394	322
Share of (profit) loss of entities accounted for using equity method	(9,657)	(11,320)
Other, net	9,378	(2,064)
Subtotal	182,599	186,466
Interest and dividend income received	15,749	16,036
Interest expenses paid	(26,102)	(25,724)
Income taxes paid	(23,822)	(17,531)
Net cash provided by (used in) operating activities	148,423	159,245
<b>Cash flows from investing activities</b>		
Purchase of noncurrent assets	(106,009)	(149,520)
Investments and loan advances	(74,457)	(10,912)
Collection of investment and loans receivable	10,410	7,055
Other, net	(375)	(8,333)
Net cash provided by (used in) investing activities	(170,432)	(161,711)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of bonds	119,548	69,698
Redemption of bonds	(40,000)	(60,000)
Proceeds from long-term loans payable	79,720	87,624
Repayment of long-term loans payable	(74,860)	(101,962)
Proceeds from short-term loans payable	63,470	62,565
Repayment of short-term loans payable	(64,991)	(62,896)
Proceeds from issuance of commercial papers	83,000	—
Redemption of commercial papers	(83,000)	—
Cash dividends paid	(13,729)	(13,727)
Cash dividends paid to non-controlling interests	(10,826)	(8,217)
Other, net	16,289	(821)
Net cash provided by (used in) financing activities	74,622	(27,737)
<b>Effect of exchange rate change on cash and cash equivalents</b>	(2,375)	337
<b>Net increase (decrease) in cash and cash equivalents</b>	50,237	(29,865)
<b>Cash and cash equivalents at the beginning of the year</b>	136,840	187,077
<b>Cash and cash equivalents at the end of the year</b>	¥187,077 <sup>1)</sup>	¥157,212 <sup>1)</sup>



# Notes to Consolidated Financial Statements

For the years ended March 31, 2019 and 2020

## Summary of Significant Accounting Policies

### 1. Scope of consolidation

Number of consolidated subsidiaries: 74

The accompanying consolidated financial statements include the accounts of Electric Power Development Co., Ltd. (the "Company") and its 74 subsidiaries controlled directly or indirectly by the Company.

In this fiscal year, Electric Power Development Electricity Transmission Business Division Co., Ltd., which was established in April 2019 and changed its name to J-POWER Transmission Network Co., Ltd. on April 1, 2020, and J-POWER Jackson Capital, LLC, which was established in May 2019, have been included in the scope of consolidation.

As Yamaguchi-Ube Power Generation Co., Ltd., which had been a company accounted for by the equity method, has become a subsidiary with the acquisition of its additional shares by the Company in July 2019, it has been included in the scope of consolidation.

### 2. Application of equity method

Number of companies accounted for by the equity method: 91

In this fiscal year, Jackson Generation, LLC, a consolidated subsidiary, merged Elwood Expansion, LLC, a company accounted for by the equity method, in June 2019.

Kalayaan Power Management Corporation, which was dissolved in July 2019, Yamaguchi-Ube Power Generation Co., Ltd., which has become a consolidated subsidiary with the acquisition of its additional shares by the Company in July 2019, and Zajaczkowo Windfarm Sp. z o. o., all of which shares held were transferred in November 2019, were excluded from the scope of accounting by the equity method.

Affiliated companies that were not accounted for by the equity method (Nishikyushu Kyodo Kowan Co., Ltd. and others) are not material in terms of consolidated net income and loss (proportional amount of equity) and retained earnings (proportional amount of equity), and their overall impact is immaterial, so they have been excluded from the scope of equity method accounting.

For the companies accounted for by the equity method and have reporting dates that differ from that of the Company, financial statements as of their respective reporting dates are used.

### 3. Reporting dates of consolidated subsidiaries, etc.

All of the consolidated subsidiaries, except for J-POWER AUSTRALIA PTY. LTD. and 35 other overseas subsidiaries, have the same reporting date as that of the Company. The fiscal year-end of each of J-POWER AUSTRALIA PTY. LTD. and 35 other overseas subsidiaries is the end of December. The financial statements of these subsidiaries as of the date are used for consolidation after necessary adjustments with regard to significant transactions incurred during the periods between their fiscal year end and that of the Company.

### 4. Accounting policies

#### (1) Valuation policies for assets

##### a. Long-term investments (available-for-sale securities)

Available-for-sale securities with market value are stated at market value on the balance sheet date. Cost of securities sold is determined by the moving average method. Unrealized gain (loss) on available-for-sale securities is included in net assets. Available-for-sale securities without market value are stated at cost determined by the moving average method.

##### b. Money in trust for cash management purposes

Stated at market value.

##### c. Derivatives

Stated at fair value, and hedge accounting is applied to those instruments which fulfill hedge conditions.

##### d. Inventories

Valuation standard: cost method (book values on the balance sheet are written down on the basis of decline in profitability).

Valuation method: specialty goods are stated at cost determined by the identified cost method, and other inventories are stated at cost determined by the monthly average method.

#### (2) Depreciation and amortization of noncurrent assets

##### a. Depreciation and amortization method

###### (Tangible assets)

Mainly straight-line method has been applied.

###### (Intangible assets)

Straight-line method has been applied.

Software costs for internal use are amortized based on the internally available period (five years) using the straight-line method.

##### b. Estimated useful lives

The same as prescribed in the Corporation Tax Law of Japan has been applied.

#### (3) Allowance and reserve policies

##### a. Allowance for doubtful accounts

To provide for doubtful accounts of accounts receivable and others through consideration of their recoverability based on the historical experience with bad debt for general receivables and based on the individual recoverability for specific receivables from companies in financial difficulty, the estimated irrecoverable amounts are posted.

#### (4) Accounting for employee retirement benefits

##### a. Attribution of estimated retirement benefits

In calculating retirement benefit obligations, estimated retirement benefits are attributed to each period to the end of current fiscal year by the benefit formula method.



## **b. Recognition of actuarial differences and past service cost**

Actuarial differences are primarily recognized under the declining-balance method over two years from the fiscal year following the fiscal year in which they were incurred, and past service costs are mainly recognized under the straight-line method over two years from the year in which the expense was incurred.

## **(5) Accounting for revenue and cost**

### **a. Revenue and cost for construction contracts**

(Construction contracts for which the degree of completion can be confirmed at the end of fiscal year)

Based on the percentage of completion method (estimated degree of completion for construction is calculated by the cost-to-cost method).

(Other construction contracts)

Based on the completed contract method.

## **(6) Hedge accounting**

### **a. Method of hedge accounting**

Deferred hedge accounting is applied. For hedges of foreign exchange fluctuation risk, the allocation method is applied when the hedge satisfies the requirements. For interest rate swaps, the special method is applied when the swaps satisfy the requirements.

### **b. Hedging instruments and targets**

Hedging instruments	Hedged items
Foreign exchange forward contracts, foreign currency swaps	Payments of principal and interest with respect to foreign-currency-denominated bonds and loans, some foreign-currency-denominated receivables and payables
Interest rate swaps, Interest rate collar transactions	Payments of principal and interest with respect to bonds and loans
Commodity-price-related swaps	Some transactions affected by fluctuations in commodity prices

## **c. Hedging policies**

Based on the Company's internal regulations relating to derivative transactions, derivatives are executed for the purpose of avoiding the risks caused by fluctuating exchange rates, interest rates, and commodity purchase prices, and the Company's policy is not to perform speculative transactions.

## **d. Evaluation of hedge effectiveness**

The Company evaluates hedge effectiveness on a quarterly basis or a per transaction basis by comparing cumulative changes in cash flow of hedging instruments with cumulative changes in hedged cash flow. Evaluation of the effectiveness of foreign exchange forward contracts and foreign currency swaps to which the allocation method is applied and interest rate swaps to which the special method is applied has been omitted.

## **(7) Cash and cash equivalents presented in the consolidated statement of cash flows**

Cash and cash equivalents consist of cash on hand, bank deposits which can be withdrawn on demand, and short-term investments with a maturity of three months or less when purchased which can easily be converted into cash and are subject to little risk of change in value.

## **(8) Others**

### **a. Accounting for consumption taxes**

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

## **Accounting Standards Issued but not yet Effective**

On March 30, 2018, the ASBJ issued "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30).

### **(1) Overview**

This is a comprehensive accounting standard for revenue recognition. Specifically, the accounting standard establishes the following five-step model that will apply to revenue from customers:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when (or as) the entity satisfies a performance obligation

### **(2) Scheduled date of adoption**

The Company expects to adopt the accounting standard and implementation guidance from the beginning of the fiscal year ending March 31, 2022.

### **(3) Impact of the adoption of accounting standard and implementation guidance**

The Company is currently evaluating the effect of the adoption of this accounting standard and implementation guidance on its consolidated financial statements.

## Notes to Consolidated Financial Statements

The ASBJ issued “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30), and “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31), along with related updates to “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9), “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10), and “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19).

### (1) Overview

The ASBJ has developed an “Accounting Standard for Fair Value Measurement” and “Implementation Guidance on Accounting Standard for Fair Value Measurement” (hereinafter collectively, the “Fair Value Measurement Standard”), which provide guidance for fair value measurement in order to improve comparability with internationally recognized accounting standards. The Fair Value Measurement Standard is applied with respect to the fair value of the following items;

- Financial instruments defined in “Accounting Standard for Financial Instruments”
- Inventories held for trading purposes defined in “Accounting Standard for Measurement of Inventories”

“Implementation Guidance on Disclosures about Fair Value of Financial Instruments” has been revised requiring disclosure of financial instruments broken down by level in the fair value hierarchy.

### (2) Scheduled date of adoption

The Company expects to adopt the accounting standards and related implementation guidance from the beginning of the fiscal year ending March 31, 2022.

### (3) Impact of adoption of revised accounting standard and related implementation guidance

The Company is currently evaluating the effect of the adoption of the accounting standards and related implementation guidance on its consolidated financial statements.

On March 31, 2020, the ASBJ issued the revised “Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections” (ASBJ Statement No.24).

### (1) Overview

This accounting standard has been released to provide an outline of the applicable accounting principles and procedures in cases where directly relevant accounting standards are not available.

### (2) Scheduled date of adoption

The Company expects to adopt the accounting standard from the end of the fiscal year ending March 31, 2021.

On March 31, 2020, the ASBJ issued the “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31).

### (1) Overview

This accounting standard has been released to provide guidance on disclosure of information that deepens the understanding of users of the financial statements about estimates that embody a risk of a significant impact on the financial statements of the following accounting period.

### (2) Scheduled date of adoption

The Company expects to adopt the accounting standard from the end of the fiscal year ending March 31, 2021.

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## Changes in Presentation

### (Consolidated Balance Sheet)

In the previous fiscal year, “Short-term investments” was presented separately under “Current assets” but it was included in “Other” in the current fiscal year due to diminished importance. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, 66,000 million yen presented as “Short-term investments” and 39,149 million yen presented as “Other” under “Current assets” in the Consolidated Balance Sheet for the previous fiscal year were reclassified as 105,149 million yen presented as “Other.”

### (Consolidated Statement of Income)

In the previous fiscal year, “Foreign exchange gains” was included in “Other” in “Non-operating income”, but it was presented separately in the current fiscal year due to increased importance. In the previous fiscal year, “Gain on sales of securities” was presented separately under “Non-operating income” but it was included in “Other” in the current fiscal year due to diminished importance.

To reflect these changes in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, 1,999 million yen presented as “Gain on sales of securities” and 4,287 million yen presented as “Other” under “Non-operating income” in the Consolidated Statements of Income for the previous fiscal year were reclassified as 742 million yen presented as “Foreign exchange gains” and 5,545 million yen presented as “Other.”

### (Consolidated Statement of Cash Flows)

In the previous fiscal year, “Impairment loss” was included in “Other” under “Cash flows from operating activities”, but it was presented separately in the current fiscal year due to increased importance. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, 10,011 million yen presented as “Other” under “Cash flows from operating activities” in the consolidated statement of cash flows for the previous fiscal year were reclassified as 632 million yen presented as “Impairment loss” and 9,378 million yen presented as “Other”.

## Consolidated Balance Sheet

### 1) Construction grants, which were deducted from the cost of noncurrent assets (accumulated)

As of March 31	Millions of yen	
	2019	2020
	¥126,551	¥113,928

### 2) Accumulated depreciation of tangible assets

As of March 31	Millions of yen	
	2019	2020
	¥3,056,666	¥3,064,347

### 3) Long-term investments in non-consolidated subsidiaries and affiliated companies

As of March 31	Millions of yen	
	2019	2020
Stocks	¥249,923	¥235,513

### 4) Inventories

As of March 31	Millions of yen	
	2019	2020
Merchandise and finished goods	¥1,123	¥1,250
Work in process	1,576	1,087
Raw materials and supplies	50,783	48,037
Total	¥53,483	¥50,375

### 5) Provisions

As of March 31	2019	2020
	Provisions for directors' bonuses stated by subsidiaries are included in other provision	

### 6) Pledged assets and secured liabilities

#### (1) Assets of the Company pledged for loans of other companies

As of March 31	Millions of yen	
	2019	2020
Long-term investments	¥3,758	¥6,093

#### (2) Assets of consolidated subsidiaries pledged to financial institutions for debts

As of March 31	Millions of yen	
	2019	2020
Overseas business facilities	¥291,793	¥295,082
Construction in progress	12,743	39,703
Cash and deposits	33,487	29,531
Other (Investments and other assets)	3,794	3,573
Electric utility plant and equipment	3,601	2,782
Notes and accounts receivable-trade	259	921
Other (Current assets)	218	¥221
Long-term investments	¥16,627	—

#### Liabilities related to pledged assets mentioned above

As of March 31	Millions of yen	
	2019	2020
Long-term loans (including current portion)	¥261,684	¥274,359

## Notes to Consolidated Financial Statements

### 7) Contingent liabilities

#### (1) Guarantees

	Millions of yen	
As of March 31	2019	2020
Guarantees given to certain financial institutions for loans of companies below:		
PT. BHIMASENA POWER INDONESIA	¥30,831	¥30,231
Yuzawa Geothermal Power Generation Corporation	2,045	2,625
SAHARA COOLING Ltd.	191	203
Appi Geothermal Energy Corporation	—	30
Guarantees given in connection with housing loans to employees	688	500
<b>Total</b>	<b>¥33,757</b>	<b>¥33,591</b>

#### (2) Guarantees given to certain banks for performance bonds under power purchase agreements of the company below:

	Millions of yen	
As of March 31	2019	2020
PT. BHIMASENA POWER INDONESIA	¥2,641	¥2,590

#### (3) Guarantees given for payment obligations on wind power generator purchase agreements of the companies below:

	Millions of yen	
As of March 31	2019	2020
J-Wind Co., Ltd.	—	¥7,177
J-Wind KAMINOKUNI., Ltd.	¥4,507	¥4,056
J-Wind SETANA Co., Ltd.	¥3,358	—

#### (4) Guarantees given for payment obligations on thermal power plant main equipment purchase agreements of the company below:

	Millions of yen	
As of March 31	2019	2020
Jackson Generation, LLC	—	¥13,563

#### (5) Guarantees given to certain banks for letters of credit on grid connection construction cost of the company below:

	Millions of yen	
As of March 31	2019	2020
Jackson Generation, LLC	—	¥20,610

The amount above shows the maximum amount of guarantee

#### (6) Guarantees given for joint liability for performance guarantee insurance agreements of the company below:

	Millions of yen	
As of March 31	2019	2020
Biocoal Kumamoto-South Co., Ltd.	¥21	¥22

#### (7) Guarantees given for contractual obligations to the transferee of the share transfer agreement of the company below:

	Millions of yen	
As of March 31	2019	2020
J-Power Investment Netherlands B.V.	—	¥601

The amount above shows the maximum amount of guarantee

(8) Commitment for additional investment and/or loan with regard to loan agreement of the company below:

As of March 31	Millions of yen	
	2019	2020
Triton Knoll Offshore Wind Farm Ltd.	¥12,602	¥11,589

The amounts above show the maximum amount of commitment

### 8) Spread of COVID-19 infection

The J-POWER Group is promoting power plant construction projects in the US, UK and Indonesia. Spread of COVID-19 infection is affecting J-POWER Group in terms of construction of power plants,

etc. Although it is difficult to reasonably estimate when each power plant starts operation and influence on other factors, there are currently no significant events affecting the financial position.

## Consolidated Statement of Income

### 1) A breakdown of electric utility operating expenses

Year ended March 31	Millions of yen			
	2019		2020	
	Electric utility operating expenses	Selling, general and administrative expenses*	Electric utility operating expenses	Selling, general and administrative expenses*
Personnel expenses	¥31,219	¥17,780	¥34,582	¥21,767
Fuel cost	299,286	—	240,144	—
Repair expenses	68,641	1,310	66,771	1,295
Consignment cost	41,057	14,783	41,677	14,634
Taxes and duties	25,696	729	24,838	757
Depreciation and amortization cost	56,608	2,076	57,241	2,235
Research expenses	13,514	13,514	14,409	14,409
Other	116,756	10,940	149,622	8,389
Total	¥652,781	¥61,136	¥629,287	¥63,489

\* Included in electric utility operating expenses

### 2) Research and development costs included in operating expenses

Year ended March 31	Millions of yen	
	2019	2020
	¥15,333	¥16,162

### 3) Loss from operations of subsidiaries and associates

With regard to the investment in Birchwood Power Partners, L.P., which is an affiliated company accounted for by the equity method, 8,911 million yen equivalent to the impairment loss on its business was posted under extraordinary losses in the current fiscal year, reflecting the changes in business environment.

### 4) Impairment loss

#### For the year ended March 31, 2019

The Company and its subsidiaries group assets based on their management accounting categories under which continuous oversight of the balance of payments are maintained. (Electric utility plants and equipment are grouped by business department, and overseas business facilities and other noncurrent assets are grouped by control management department or site.)

Due to a deterioration in the business environment and other factors, the Company examined the potential for future collectability, and consequently determined that it would be difficult to collect on

certain investments relating to special asset groups. Therefore, the book value was written down to the recoverable amount. Moreover, idle assets for which no immediate use was foreseen and others were grouped individually, and written down to their recoverable amount. The corresponding impairment loss of 632 million yen was recognized under "Other" of "Non-operating expenses", which consists of structures of 610 million yen and land of 22 million yen.

#### (Calculation of the recoverable amount)

With regard to idle assets, the recoverable amount of structures was recorded at the value in use and the total amount of the book value was posted as an impairment loss. Land was appraised at a value that reflects market prices.

## Notes to Consolidated Financial Statements

### For the year ended March 31, 2020

The Company and its subsidiaries group assets based on their management accounting categories under which continuous oversight of the balance of payments are maintained. (Electric utility plants and equipment are grouped by business department, and overseas business facilities and other noncurrent assets are grouped by control management department or site.)

Due to a deterioration in the business environment and other factors, the Company examined the potential for future collectability,

and consequently determined that it would be difficult to collect on certain investments relating to special asset groups. Therefore, the book value was written down to the recoverable amount. Moreover, idle assets for which no immediate use was foreseen and others were grouped individually, and written down to their recoverable amount. The corresponding impairment loss of 3,586 million yen was recognized under extraordinary losses.

The main component of impairment loss is as follows:

Use and location	Classification	Millions of yen
		Amount
Mining rights (J-POWER AUSTRALIA PTY. LTD., Narrabri Coal Mine in New South Wales, Australia)	Intangible noncurrent asset	<b>¥2,838</b>

### (Calculation of the recoverable amount)

Future recoverable amount of certain asset groups was recorded at the value in use and some land was appraised at a value that reflects market prices. As for mining rights, because future cash flows fell below the book value due to a decline in coal sales prices, etc., impairment loss was recognized. The discount rate used was 6.2%.

The recoverable amount of idle assets and other assets was measured according to their net selling value; assets slated for sale were recorded based on their expected selling value, while other assets were appraised at a value that reflects market prices.

## Consolidated Statement of Comprehensive Income

### 1) Reclassification adjustments and tax effects relating to other comprehensive income

Year ended March 31	Millions of yen	
	2019	2020
Valuation difference on available-for-sale securities		
Amount accrued for the current year	¥(3,693)	<b>¥(8,111)</b>
Reclassification adjustment	(1,788)	<b>(423)</b>
Amount before tax effect	(5,481)	<b>(8,534)</b>
Tax effect	1,061	<b>2,108</b>
Valuation difference on available-for-sale securities	(4,420)	<b>(6,426)</b>
Deferred gains or losses on hedges		
Amount accrued for the current year	(279)	<b>(29,704)</b>
Reclassification adjustment	550	<b>16,492</b>
Amount before tax effect	271	<b>(13,211)</b>
Tax effect	775	<b>2,127</b>
Deferred gains or losses on hedges	1,047	<b>(11,084)</b>
Foreign currency translation adjustment		
Amount accrued for the current year	(11,780)	<b>5,922</b>
Remeasurements of defined benefit plans, net of tax		
Amount accrued for the current year	(4,060)	<b>(3,788)</b>
Reclassification adjustment	(1,332)	<b>2,620</b>
Amount before tax effect	(5,392)	<b>(1,167)</b>
Tax effect	1,502	<b>339</b>
Remeasurements of defined benefit plans, net of tax	(3,889)	<b>(828)</b>
Share of other comprehensive income of entities accounted for using equity method		
Amount accrued for the current year	(2,506)	<b>(7,794)</b>
Reclassification adjustment	402	<b>241</b>
Share of other comprehensive income of entities accounted for using equity method	(2,103)	<b>(7,552)</b>
Other comprehensive income	¥(21,147)	<b>¥(19,969)</b>

## Consolidated Statement of Changes in Net Assets

### For the year ended March 31, 2019

#### 1. Shares issued

Type	As of April 1, 2018	Increase	Decrease	Shares As of March 31, 2019
Common stock	183,051,100	—	—	183,051,100

#### 2. Treasury stock

Type	As of April 1, 2018	Increase	Decrease	Shares As of March 31, 2019
Treasury stock	1,751	400	—	2,151

(Summary of reason of the change)

A breakdown of the increase is as follows:

Increase due to purchasing shares that are less than one voting unit: 400 shares

#### 3. Dividends

##### (1) Dividends paid

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general shareholders' meeting (June 27, 2018)	Common stock	¥7,321	¥40	March 31, 2018	June 28, 2018
Board of Directors (October 31, 2018)	Common stock	¥6,406	¥35	September 30, 2018	November 30, 2018

##### (2) Dividends with the cut-off date in the year ended March 31, 2019 and the effective date in the year ended March 31, 2020

Resolution	Type of shares	Dividends paid from	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general shareholders' meeting (June 26, 2019)	Common stock	Retained earnings	¥7,321	¥40	March 31, 2019	June 27, 2019

(Note) The Corporation Law of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the common stock account. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met, except neither the capital reserve nor the legal reserve is available for distributions.

### For the year ended March 31, 2020

#### 1. Shares issued

Type	As of April 1, 2019	Increase	Decrease	Shares As of March 31, 2020
Common stock	183,051,100	—	—	183,051,100

#### 2. Treasury stock

Type	As of April 1, 2019	Increase	Decrease	Shares As of March 31, 2020
Treasury stock	2,151	290	—	2,441

(Summary of reason of the change)

A breakdown of the increase is as follows:

Increase due to purchasing shares that are less than one voting unit: 290 shares



## Notes to Consolidated Financial Statements

### 3. Dividends

#### (1) Dividends paid

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general shareholders' meeting (June 26, 2019)	Common stock	¥7,321	¥40	March 31, 2019	June 27, 2019
Board of Directors (October 31, 2019)	Common stock	¥6,406	¥35	September 30, 2019	November 29, 2019

#### (2) Dividends with the cut-off date in the year ended March 31, 2020 and the effective date in the year ending March 31, 2021

Resolution	Type of shares	Dividends paid from	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general shareholders' meeting (June 25, 2020)	Common stock	Retained earnings	¥7,321	¥40	March 31, 2020	June 26, 2020

(Note) The Corporation Law of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the common stock account. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met, except neither the capital reserve nor the legal reserve is available for distributions.

## Consolidated Statement of Cash Flows

### 1) The reconciliation between the balance of cash and cash equivalents at the end of year and accounts on the consolidated balance sheet

Year ended March 31	Millions of yen	
	2019	2020
Cash and deposits account	¥121,187	¥159,325
Time deposits with a maturity of more than three months	(110)	(2,113)
Marketable securities with a redemption period of three months or less from the date of acquisition, included in the short-term investments account	66,000	—
Cash and cash equivalents	¥187,077	¥157,212

## Financial Instruments

### 1. Status of financial instruments

#### (1) Policy for financial instruments

The Company formulates funds procurement plans based on demand for funding of capital expenditures related to the domestic electric power business, investment in the overseas power generation business, and other business. The requisite funds are then procured (mainly from the issue of bonds and loans from financial institutions). Funds temporarily in excess are invested in financial assets with a high degree of safety. The Company also procures funds for short-term working capital through borrowings and the issue of commercial papers. Derivatives are used to avoid the risks noted below and it is corporate policy not to engage in speculative transactions.

#### (2) Types of financial instruments and related risk

Notes and accounts receivable-trade are operating receivables exposed to client credit risk. Securities held as long-term investments are shares, etc. related to business or capital ties with the partner companies to the transactions and are exposed to the risk of fluctuation in market prices. Short-term investments consist primarily of domestic CDs (transferable deposits) and are exposed to bank credit risk.

Notes and accounts payable-trade are operating liabilities and nearly all have a payment term of one year or less. Some of these are foreign currency transactions and these are exposed to currency fluctuation risk; however, part of this is hedged through the use of foreign exchange forward contracts. Loans and bonds are used mainly for the procurement of funds required for capital investment. The redemption term is 29 years at the longest after the fiscal year settlement date. Some of these have variable interest rates and are thus exposed to interest rate fluctuation risk; however, this is hedged through the use of derivatives transactions (interest rate swaps).

Derivatives transactions consist mainly of transactions involving foreign exchange forward contracts to hedge the risk of currency fluctuation accompanying operating receivables and payables denominated in foreign currencies, interest rate swaps designed to hedge the risk of interest rate fluctuations for loans, and commodity swaps and commodity options designed to hedge the risk of fluctuation in commodity prices. Please see section "4. Accounting policies – (6) Hedge accounting" under "Summary of Significant Accounting Policies" mentioned above for the hedging methods, hedging targets, hedging policies and methods for appraising hedging effectiveness, etc.

### **(3) Risk management for financial instruments**

#### **a. Monitoring of credit risk (the risk that customers or counterparties may default, etc.)**

In accordance with the Rules on Management of Sales, etc., each division of the Company monitors the due dates and balances of operating receivables for each transacting partner and also maintains a perpetual grasp of changes in the state of management, etc. for these companies. Consolidated subsidiaries also follow the Rules on Management of Sales, etc. and manage business affairs in the same manner. Please note that credit risk is minimal for the domestic electric power business since transactions are conducted mainly with former 10 EPCOs, which have high credit ratings. The same applies to overseas business since transactions are conducted mainly with the Electricity Generating Authority of Thailand (EGAT).

When derivatives transactions are used, they are conducted only with financial and other institutions bearing high credit ratings to mitigate counterparty risk.

The largest amount of credit risk as of the fiscal year-end is shown in the value of financial assets exposed to credit risk on the consolidated balance sheet.

#### **b. Monitoring of market risks (the risks arising from fluctuations in foreign exchange rates, interest rates and others)**

The Company and some of its consolidated subsidiaries generally employ foreign exchange forward contracts to hedge the risk of currency fluctuations for foreign-denominated operating receivables and payables, as determined on a monthly basis, by currency. The Company and some of its consolidated subsidiaries also employ interest rate swaps to avoid the risk of fluctuation in interest rates on loans. The Company and some of its consolidated subsidiaries engage in commodity swaps and commodity options to obviate the risk of fluctuation in commodity prices as well.

Regarding securities, fair values and financial conditions of issuers (partner companies) and other components are periodically monitored.

Derivatives transactions are executed and managed based on the Company's inner rules which determine the maximum limits for derivatives transactions by purpose, methods of monitoring and reporting, and others. Consolidated subsidiaries also adhere to these rules of the Company in managing derivatives.

#### **c. Monitoring of liquidity risk (the risk that the Company may not be able to meet obligations on scheduled due dates)**

The Accounting & Finance Department formulates and updates financing plans in a timely manner based on reports from the various departments and manages liquidity risk through issuance of commercial papers and other means.

#### **(4) Supplemental explanation of the estimated fair value of financial instruments**

Fair value of financial instruments includes not only values based on market prices, but also values calculated in a reasonable manner for instruments that do not have a market price. Calculation of such values incorporates factors that fluctuate so values may fluctuate with the employment of different underlying assumptions and other factors. Moreover, contract amounts of derivatives transactions in "Derivatives Transactions" do not indicate the market risk related to the derivatives transactions, in and of themselves.

#### **(5) Concentration of credit risk**

As of March 31, 2020, 79% of the operating receivables are from former 10 electric power companies (EPCOs) and the Electricity Generating Authority of Thailand (EGAT).

## Notes to Consolidated Financial Statements

### 2. Fair value of financial instruments

The carrying values recorded on the consolidated balance sheet, fair value and differences between them are as follows. Please note that instruments for which it is extremely difficult to ascertain a fair value are not included in the following table (see (Note 2)).

As of March 31, 2019	Millions of yen		
	Carrying value	Fair value	Difference
(1) Cash and deposits	¥121,187	¥121,187	—
(2) Notes and accounts receivable-trade	84,686	84,686	—
(3) Short-term investments* <sup>1</sup>	66,000	66,000	—
(4) Investment securities	32,799	32,799	—
Available-for-sale securities * <sup>2</sup>	32,799	32,799	—
<b>Total assets</b>	<b>304,673</b>	<b>304,673</b>	<b>—</b>
(5) Notes and accounts payable-trade	25,457	25,457	—
(6) Short-term loans payable	15,278	15,278	—
(7) Bonds payable * <sup>3</sup>	674,992	679,356	¥(4,363)
(8) Long-term loans payable * <sup>3</sup>	951,107	978,023	(26,916)
<b>Total liabilities</b>	<b>1,666,834</b>	<b>1,698,115</b>	<b>¥(31,280)</b>
(9) Derivatives transactions * <sup>4</sup>			
Transactions not subject to hedge accounting	0	0	—
Transactions subject to hedge accounting	(14,109)	(14,109)	—
<b>Total derivatives transactions</b>	<b>¥(14,109)</b>	<b>¥(14,109)</b>	<b>—</b>

\*1 Included in other under current assets on the consolidated balance sheet.

\*2 Included in long-term investments on the consolidated balance sheet.

\*3 Includes current portion of bonds and long-term loans payable.

\*4 Indicates the net amount of receivables and payables derived from derivatives transactions.

As of March 31, 2020	Millions of yen		
	Carrying value	Fair value	Difference
(1) Cash and deposits	¥159,325	¥159,325	—
(2) Notes and accounts receivable-trade	80,466	80,466	—
(3) Short-term investments * <sup>1</sup>	0	0	—
(4) Investment securities	22,978	22,978	—
Available-for-sale securities * <sup>2</sup>	22,978	22,978	—
<b>Total assets</b>	<b>262,771</b>	<b>262,771</b>	<b>—</b>
(5) Notes and accounts payable-trade	28,729	28,729	—
(6) Short-term loans payable	14,952	14,952	—
(7) Bonds payable * <sup>3</sup>	684,993	707,155	¥(22,162)
(8) Long-term loans payable * <sup>3</sup>	945,417	967,169	(21,752)
<b>Total liabilities</b>	<b>1,674,092</b>	<b>1,718,007</b>	<b>¥(43,914)</b>
(9) Derivatives transactions * <sup>4</sup>			
Transactions not subject to hedge accounting	5,205	5,205	—
Transactions subject to hedge accounting	(27,314)	(27,314)	—
<b>Total derivatives transactions</b>	<b>¥(22,109)</b>	<b>¥(22,109)</b>	<b>—</b>

\*1 Included in other under current assets on the consolidated balance sheet.

\*2 Included in long-term investments on the consolidated balance sheet.

\*3 Includes current portion of bonds and long-term loans payable.

\*4 Indicates the net amount of receivables and payables derived from derivatives transactions.

(Note 1) Methods to determine the estimated fair value of financial instruments and other matters related to securities and derivatives transactions

(1) Cash and deposits, (2) Notes and accounts receivable-trade, (3) Short-term investments (transferable deposits, etc.)  
Since these are settled within a short period of time, their carrying value approximates fair value.

(4) Investment securities  
The fair value of shares is based on quoted market prices. For information of securities by purpose of holding, please refer to "Securities."

(5) Notes and accounts payable-trade, (6) Short-term loans payable  
Since these are settled within a short period of time, their carrying value approximates fair value.

(7) Bonds payable  
The fair value of bonds issued by the Company is calculated by taking the current value of the sum of the principal and interest discounted by an interest rate which takes the time remaining on the bonds and the credit risk into consideration.

(8) Long-term loans payable  
The fair value of long-term loans payable is calculated by taking the current value of the sum of the principal and interest or, in cases subject to special handling with interest rate swaps, the total principal and interest with the interest rate swaps combined, discounted by the assumed interest rate for an equivalent level of new borrowing.

(9) Derivatives transactions  
Refer to "Derivatives transactions."

(Note 2) Amounts of financial instruments recorded on the consolidated balance sheet for which it is extremely difficult to determine the fair value

As of March 31	Millions of yen	
	2019	2020
Unlisted shares (excluding share sold on the OTC market)	¥7,394	¥7,466
Unlisted foreign shares	154	260
Capital contribution	1,585	1,615
Foreign capital contribution	¥11,350	10,596
Corporate bonds	—	¥410

The above do not have a market value and estimation of future cash flows from them or taking other measures to estimate their fair value would be impossible. Therefore, they are not included in "Available-for-sale securities." Please note that the shares of non-consolidated subsidiaries and affiliates have been omitted from the table above because they are listed under "Consolidated Balance Sheet, 3) Long-term investments in non-consolidated subsidiaries and affiliated companies."

(Note 3) Redemption schedule for receivables and securities with maturities after the end of the fiscal year

As of March 31, 2019	Millions of yen				
	Cash and deposits *	Notes and accounts receivable-trade	Short-term investments	Investment securities Available-for-sale securities with maturities	Total
Due in one year or less	¥121,187	¥84,686	¥66,000	—	¥271,874
Due after one year through five years	—	—	—	—	—
Due after five years through 10 years	—	—	—	—	—
Due after 10 years	—	—	—	—	—

\* Amounts in cash and deposits to be redeemed within one year or less include cash.

As of March 31, 2020	Millions of yen				
	Cash and deposits *	Notes and accounts receivable-trade	Short-term investments	Investment securities Available-for-sale securities with maturities	Total
Due in one year or less	¥159,325	¥80,466	¥0	—	¥239,792
Due after one year through five years	—	—	—	¥410	¥410
Due after five years through 10 years	—	—	—	—	—
Due after 10 years	—	—	—	—	—

\* Amounts in cash and deposits to be redeemed within one year or less include cash.

(Note 4) Bonds, long-term loans payable, and other interest-bearing debt scheduled for repayment after the end of fiscal year

As of March 31, 2019	Millions of yen			
	Short-term loans payable	Bonds payable	Long-term loans payable	Total
Due in one year or less	¥15,278	¥60,000	¥98,837	¥174,115
Due after one year through two years	—	80,000	80,790	160,790
Due after two years through three years	—	20,000	66,309	86,309
Due after three years through four years	—	20,000	90,110	110,110
Due after four years through five years	—	70,000	94,147	164,147
Due after five years	—	¥425,000	¥520,911	¥945,911

## Notes to Consolidated Financial Statements

As of March 31, 2020	Millions of yen			
	Short-term loans payable	Bonds payable	Long-term loans payable	Total
Due in one year or less	¥14,952	¥80,000	¥80,048	¥175,000
Due after one year through two years	—	20,000	65,864	85,864
Due after two years through three years	—	20,000	118,892	138,892
Due after three years through four years	—	70,000	99,744	169,744
Due after four years through five years	—	90,000	78,106	168,106
Due after five years	—	¥405,000	¥502,761	¥907,761

## Securities

### 1. Available-for-sale securities

As of March 31, 2019	Items	Millions of yen		
		Amount recorded on the consolidated balance sheet	Acquisition cost	Difference
Securities for which the amount recorded on the consolidated balance sheet exceeds the acquisition cost	Stock	¥27,114	¥12,598	¥14,515
Securities for which the amount recorded on the consolidated balance sheet does not exceed the acquisition cost	Stock	5,684	6,233	(549)
<b>Total</b>		<b>¥32,799</b>	<b>¥18,832</b>	<b>¥13,966</b>

As of March 31, 2020	Items	Millions of yen		
		Amount recorded on the consolidated balance sheet	Acquisition cost	Difference
Securities for which the amount recorded on the consolidated balance sheet exceeds the acquisition cost	Stock	¥14,651	¥6,686	¥7,964
Securities for which the amount recorded on the consolidated balance sheet does not exceed the acquisition cost	Stock	8,327	10,062	(1,735)
<b>Total</b>		<b>¥22,978</b>	<b>¥16,749</b>	<b>¥6,228</b>

### 2. Available-for-sale securities sold in the fiscal year

Year ended March 31, 2019	Millions of yen		
	Proceeds from sales	Gain on sales	Loss on sales
Stock	¥7,476	¥1,999	¥211

Year ended March 31, 2020	Millions of yen		
	Proceeds from sales	Gain on sales	Loss on sales
Stock	¥2,542	¥1,192	¥93

## Derivatives Transactions

### 1. Derivatives transactions not subject to hedge accounting

#### (1) Currencies

As of March 31, 2019	Instrument	Millions of yen				
		Contract value, etc.	Fair value	Valuation gain/loss	Calculation of fair value	
		Total value	Portion over one year			
Transactions other than market transactions	Foreign exchange forward contracts, short positions	¥15	—	¥0	¥0	According to the forward exchange rate

As of March 31, 2020  
Not applicable.

## (2) Commodities

As of March 31, 2019  
Not applicable.

		Millions of yen				
		Contract value, etc.	Fair value	Valuation gain/loss	Calculation of fair value	
As of March 31, 2020	Instrument	Total value	Portion over one year			
Transactions other than market transactions	Options, short positions	¥6,858	¥6,858	¥5,205	¥(1,653)	According to discounted present value

## 2. Derivatives transactions subject to hedge accounting

		Millions of yen				
		Contract value, etc.	Fair value	Calculation of fair value		
Hedging method	Instrument	Target	Total value	Portion over one year		
	Foreign exchange forward contracts	Foreign-currency-denominated receivables and payables	¥3,037	¥1,338	¥(46)	According to the forward exchange rate
General settlement method	Interest rate swaps pay fixed/receive floating	Loans	305,670	289,070	(9,514)	According to the price, etc. specified by the transacting financial institution
	Interest rate collar transactions		17,358	16,319	(599)	
	Commodity swaps pay fixed/receive floating	Commodity	31,560	—	(3,949)	
Special interest rate swaps	Interest rate swaps pay fixed/receive floating	Loans	258,556	221,414	*	—
Total			¥616,183	¥528,143	¥(14,109)	

\* Transactions subject to special interest rate swaps are settled as a combined sum with the long-term loans being hedged so the fair value is included in the fair value of the long-term loans in question.

		Millions of yen				
		Contract value, etc.	Fair value	Calculation of fair value		
Hedging method	Instrument	Target	Total value	Portion over one year		
	Foreign exchange forward contracts	Foreign-currency-denominated receivables and payables	¥9,416	¥3,710	¥(391)	According to the forward exchange rate
General settlement method	Interest rate swaps pay fixed/receive floating	Loans	350,246	315,743	(24,717)	According to the price, etc. specified by the transacting financial institution
	Interest rate collar transactions		17,008	7,489	(466)	
	Commodity swaps pay fixed/receive floating	Commodity	20,256	—	(1,739)	
Special interest rate swaps	Interest rate swaps pay fixed/receive floating	Loans	221,414	189,488	*	—
Total			¥618,343	¥516,431	¥(27,314)	

\* Transactions subject to special interest rate swaps are settled as a combined sum with the long-term loans being hedged so the fair value is included in the fair value of the long-term loans in question.

## Notes to Consolidated Financial Statements

### Employee Retirement Benefit Plans

#### 1. Summary of employee retirement benefit plans adopted

The Company and some of its domestic consolidated subsidiaries have adopted funded type defined benefit corporate pension plans and unfunded lump-sum retirement benefit plans and both use a point system where retirement allowance points, which become the basis for calculating payment amounts, are accumulated.

Defined benefit corporate pension plans (which are all funded types) provide annuities and lump sums based on calculations using accumulated points and the number of years served, etc. The Company has adopted a quasi-cash balance plan for its

defined benefit corporate pension plan and annuity amounts fluctuate depending on the market interest rate.

Lump-sum retirement benefit plans (which is unfunded, but some have become a funded type plan as a result of setting a retirement benefit trust) supplies lump sums based on accumulated points and length of employment. Also, when an employee retires, there are cases when premium severance payments are made that are not in the scope of retirement benefit obligations calculated following retirement benefit accounting.

#### 2. Defined benefit plans (excluding plans using a simplified method)

##### (1) The changes in the retirement benefit obligations during the year

Year ended March 31	Millions of yen	
	2019	2020
Balance at the beginning of the year	¥152,032	¥153,547
Service cost	6,386	6,286
Interest cost	706	446
Incurred actuarial gain or loss	2,295	(1,374)
Retirement benefit payments	(7,871)	(7,978)
Other	(0)	10
Balance at the end of the year	¥153,547	¥150,938

##### (2) The changes in the plan assets during the year

Year ended March 31	Millions of yen	
	2019	2020
Balance at the beginning of the year	¥96,855	¥95,756
Expected return on plan assets	2,756	2,554
Incurred actuarial gain or loss	(1,765)	(5,162)
Funding by the Company and its subsidiaries	2,366	2,406
Retirement benefit payments	(4,457)	(4,737)
Balance at the end of the year	¥95,756	¥90,818

##### (3) The table set forth the funded status of the plans and the amounts recognized in the consolidated balance sheet for the Company's and the consolidated subsidiaries' defined benefit plans

As of March 31	Millions of yen	
	2019	2020
Retirement benefit obligations of funded type plans	¥144,998	¥142,386
Plan assets	(95,756)	(90,818)
	49,241	51,568
Retirement benefit obligations of unfunded type plans	8,549	8,551
Net amount of liabilities and assets on the consolidated balance sheet	57,790	60,119
	57,790	60,119
Net defined benefit liability	57,790	60,119
Net amount of liabilities and assets on the consolidated balance sheet	¥57,790	¥60,119



#### (4) Retirement benefit expenses

Year ended March 31	Millions of yen	
	2019	2020
Service cost	¥6,276	¥6,414
Interest cost	691	435
Expected return on plan assets	(2,708)	(2,683)
Amortization of actuarial gain or loss	(1,332)	2,620
Other	47	102
Retirement benefit expenses regarding defined benefit plans	¥2,975	¥6,889

#### (5) Remeasurements of defined benefit plans, net of tax

A breakdown of remeasurements of defined benefit plans, net of tax (before tax effect) is as follows:

Year ended March 31	Millions of yen	
	2019	2020
Actuarial gain or loss	¥(5,392)	¥(1,167)
Total	¥(5,392)	¥(1,167)

#### (6) Remeasurements of defined benefit plans

A breakdown of remeasurements of defined benefit plans in accumulated other comprehensive income (before tax effect) is as follows:

As of March 31	Millions of yen	
	2019	2020
Unrecognized actuarial gain or loss	¥4,150	¥5,291
Total	¥4,150	¥5,291

#### (7) Plan assets

##### a. A breakdown of plan assets

Proportion of each type of asset is as follows:

As of March 31		
	2019	2020
Bonds	24%	26%
Stocks	32%	28%
General accounts	37%	39%
Other	7%	7%
Total	100%	100%

##### b. Long-term expected rate of return

In order to set long-term expected rate of return for plan assets, the current and expected allocation of plan assets and the current and future expected long-term return ratios for the various assets that compose the plan assets are taken into consideration.

#### (8) The actuarial assumptions

Main actuarial assumptions at the end of the fiscal year (presented in weighted average)

Year ended March 31		
	2019	2020
Discount rate	0.3%	0.3%
Long-term expected rate of return on plan assets	2.9%	2.9%
Expected rate of increase in salary	3.7%	3.7%

## Notes to Consolidated Financial Statements

### Income Taxes

#### 1. The significant components of deferred tax assets and liabilities

As of March 31	Millions of yen	
	2019	2020
Deferred tax assets		
Net defined benefit liability	¥17,970	¥18,663
Unrealized gain on noncurrent assets	13,933	14,504
Net operating loss carryforwards for tax purpose (Note 1)	10,995	9,230
Excess of depreciation of noncurrent assets	4,487	4,448
Amount assigned for bonuses, etc. but not yet paid	2,231	2,215
Excess of amortization of deferred assets for tax purposes	757	1,047
Other	36,861	41,644
Subtotal of deferred tax assets	87,237	91,754
Valuation allowance for net operating loss carryforwards for tax purpose (Note 1)	(2,441)	(2,236)
Valuation allowance for deductible temporary difference and others	(10,545)	(11,365)
Subtotal of valuation allowance	(12,986)	(13,602)
Total deferred tax assets	74,251	78,152
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(4,080)	(1,972)
Other	(36,304)	(33,481)
Total deferred tax liabilities	(40,384)	(35,454)
Net deferred tax assets	¥33,866	¥42,697

(Note) 1. Amounts of net operating loss carryforwards for tax purpose and associated deferred tax assets by expiry date are as follows:

As of March 31, 2019	Millions of yen		
	Net operating loss carryforwards for tax purpose (a)	Valuation allowance	Deferred tax assets
One year or less	¥591	¥(591)	—
Over one year to two years	234	(205)	¥29
Over two years to three years	192	(129)	62
Over three years to four years	323	(289)	33
Over four years to five years	1,219	(158)	1,060
Over five years	8,433	(1,065)	7,367
Total	¥10,995	¥(2,441)	(b) ¥8,554

(a) Amount of net operating loss carryforwards for tax purpose is the amount multiplied by statutory tax rate.

(b) 8,554 million yen of deferred tax assets is recognized associated with 10,995 million yen of net operating loss carryforwards for tax purpose which is multiplied by statutory tax rate. 8,554 million yen of deferred tax assets is recognized at consolidated subsidiaries as a part of 10,995 million yen of the balance of net operating loss carryforwards for tax purpose which is multiplied by statutory tax rate. The net operating loss carryforwards for tax purpose which was recognized as deferred tax assets is concluded recoverable based on expected future taxable income.

As of March 31, 2020	Millions of yen		
	Net operating loss carryforwards for tax purpose (a)	Valuation allowance	Deferred tax assets
One year or less	¥215	¥(184)	¥31
Over one year to two years	73	(24)	49
Over two years to three years	250	(143)	107
Over three years to four years	1,026	(100)	925
Over four years to five years	492	(466)	25
Over five years	7,171	(1,317)	5,853
Total	¥9,230	¥(2,236)	(b) ¥6,993

(a) Amount of net operating loss carryforwards for tax purpose is the amount multiplied by statutory tax rate.

(b) 6,993 million yen of deferred tax assets is recognized associated with 9,230 million yen of net operating loss carryforwards for tax purpose which is multiplied by statutory tax rate. 6,993 million yen of deferred tax assets is recognized at consolidated subsidiaries as a part of 9,230 million yen of the balance of net operating loss carryforwards for tax purpose which is multiplied by statutory tax rate. The net operating loss carryforwards for tax purpose which was recognized as deferred tax assets is concluded recoverable based on expected future taxable income.

## 2. The reconciliation between the effective tax rates reflected in the consolidated statement of income and the statutory tax rate

As of March 31	2019	2020
Statutory tax rate	28.00%	28.00%
(adjusted)		
Non-taxable profit such as dividends income	(8.90)%	(12.10)%
Investment profit/loss based on the equity method	(3.95)%	(4.83)%
Tax credits	(1.45)%	(1.50)%
Withholding taxes in foreign countries	4.14%	2.33%
Other	1.42%	6.38%
Effective tax rates	19.26%	18.28%

## Asset Retirement Obligations

Asset retirement obligations recorded on the consolidated balance sheet

### (1) Overview of the asset retirement obligations

This represents restoration obligations due to real estate lease agreements relating to noncurrent assets of electric utility plant and equipment, and due to power purchase agreements in overseas business.

### (2) Method of calculating amount of asset retirement obligations

The amount of asset retirement obligations is calculated by using expected period of use of 0 to 50 years from the acquisition and discounting with discount rates between (0.1)% and 2.4%.

### (3) Increase/decrease of the asset retirement obligations

Year ended March 31	Millions of yen	
	2019	2020
Balance at the beginning of the year	¥28,826	¥29,391
Liabilities incurred due to the acquisition of property, plant and equipment	624	2,209
Accretion expense	305	339
Increase due to estimate change	644	237
Liabilities settled	(475)	(1,776)
Other	(532)	861
Balance at the end of the year	¥29,391	¥31,263

## Segment Information, etc.

### (Segment Information)

#### 1. Overview of reportable segment

The Company's reportable segments consist of structural units for which separate financial information is available and are subject to be regularly reviewed by the Board of Directors to determine the distribution of management resources and evaluate performance.

The J-POWER Group is comprised of J-POWER (parent company), 74 subsidiaries and 109 affiliates (as of March 31, 2020), of which the core business is generating business utilizing power plants owned by J-POWER group companies including hydroelectric, thermal and wind. Through the parent company's power transmission and transforming facilities the Group also engages in transmission business, providing transmission services to nine transmission and distribution companies, excluding The Okinawa Electric Power Company. The J-POWER Group's business is separated into 4 reportable segments of "Electric Power Business" conducted by the parent company, subsidiaries and affiliates;

"Electric Power Related Business" that complements and contributes to the smooth and efficient implementation of the electric power business; "Overseas Business" that engages in overseas power generation business and businesses related to this; and "Other Business" which consists of various business activities including the sale of coal that fully utilizes the Group's management resources and know-how.

#### 2. Method of calculating amount in sales, income or loss, assets and other items in reportable segments

The method of accounting for the reportable segments is the same as that stated in "Summary of Significant Accounting Policies." The income of reportable segments is calculated on the basis of ordinary income. Intersegment internal revenues and transferred amounts are based on current market prices.

## Notes to Consolidated Financial Statements

### 3. Information concerning amounts in sales, income or loss, assets and other items for each reportable segment

For the year ended March 31, 2019	Reportable segments						Adjustments *1	Consolidated *2
	Electric power	Electric power related		Other	Total			
		Overseas						
<b>Sales</b>								
Sales to external customers	¥693,790	¥35,518	¥141,024	¥27,032	¥897,366	—	¥897,366	
Intersegment sales and transfer	1,859	419,835	—	3,330	425,026	¥(425,026)	—	
<b>Total sales</b>	<b>695,650</b>	<b>455,354</b>	<b>141,024</b>	<b>30,363</b>	<b>1,322,393</b>	<b>(425,026)</b>	<b>897,366</b>	
Segment income	14,995	26,468	29,284	1,388	72,136	(3,597)	68,539	
Segment assets	2,006,157	275,549	657,109	18,244	2,957,061	(190,881)	2,766,179	
<b>Other items</b>								
Depreciation and amortization	58,413	5,579	17,527	303	81,824	(1,845)	79,979	
Interest income	106	385	907	65	1,464	(107)	1,357	
Interest expenses	13,125	102	13,168	88	26,484	(107)	26,377	
Equity income (loss) of affiliates	(1,383)	—	11,041	—	9,657	—	9,657	
Investment in affiliates	30,475	—	218,709	—	249,184	—	249,184	
Increase in tangible and intangible noncurrent assets	¥99,924	¥4,850	¥4,711	¥700	¥110,187	¥(2,406)	¥107,780	

(Notes) 1. The breakdown of adjustments is as follows:

- (1) The adjustment amount of (3,597) million yen in segment income includes elimination of transaction amounts between segments of (3,623) million yen.
- (2) The adjustment amount of (190,881) million yen in segment assets includes elimination of (174,309) million yen for the offsetting of receivables.
- (3) The adjustment amount of (1,845) million yen in depreciation and amortization includes elimination of transaction amounts between segments of (1,805) million yen.
- (4) The adjustment amounts for interest income, interest expenses, and increase in tangible and intangible noncurrent assets are amounts eliminated as transactions between segments.

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

For the year ended March 31, 2020	Reportable segments						Adjustments *1	Consolidated *2
	Electric power	Electric power related		Other	Total			
		Overseas						
<b>Sales</b>								
Sales to external customers	¥684,155	¥31,988	¥179,094	¥18,537	¥913,775	—	¥913,775	
Intersegment sales and transfer	1,853	368,597	—	3,623	374,073	¥(374,073)	—	
<b>Total sales</b>	<b>686,008</b>	<b>400,585</b>	<b>179,094</b>	<b>22,160</b>	<b>1,287,849</b>	<b>(374,073)</b>	<b>913,775</b>	
Segment income	27,466	18,507	33,965	569	80,508	(2,423)	78,085	
Segment assets	2,040,598	244,503	680,942	15,627	2,981,672	(176,281)	2,805,390	
<b>Other items</b>								
Depreciation and amortization	59,111	6,754	18,723	333	84,923	(1,913)	83,009	
Interest income	93	299	904	62	1,360	(95)	1,264	
Interest expenses	12,706	96	13,498	87	26,389	(95)	26,293	
Equity income (loss) of affiliates	(1,250)	—	12,571	—	11,320	—	11,320	
Investment in affiliates	29,887	—	204,844	—	234,731	—	234,731	
Increase in tangible and intangible noncurrent assets	¥116,971	¥16,581	¥27,232	¥420	¥161,206	¥1,490	¥162,696	

(Notes) 1. The breakdown of adjustments is as follows:

- (1) The adjustment amount of (2,423) million yen in segment income includes elimination of transaction amounts between segments of (2,447) million yen.
- (2) The adjustment amount of (176,281) million yen in segment assets includes elimination of (167,459) million yen for the offsetting of receivables.
- (3) The adjustment amount of (1,913) million yen in depreciation and amortization includes elimination of transaction amounts between segments of (1,870) million yen.
- (4) The adjustment amounts for interest income, interest expenses, and increase in tangible and intangible noncurrent assets are amounts eliminated as transactions between segments.

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

(Related information)

**For the year ended March 31, 2019**

**1. Information by products and services**

The information is omitted as similar information is disclosed in segment information.

**2. Regional information**

**(1) Operating revenue**

				Millions of yen
Japan	Thailand	Other		Total
¥722,752	¥140,477	¥34,136		¥897,366

(Note) Sales are classified by countries or regions based on locations of customers.

**(2) Tangible noncurrent assets**

				Millions of yen
Japan	Thailand	Other		Total
¥1,506,454	¥306,384	¥32,469		¥1,845,309

**3. Sales to main customers**

			Millions of yen	
			Amount of sales	Related segment
The Chugoku Electric Power Company, Incorporated	¥131,549	Electric power business		
Electricity Generating Authority of Thailand (EGAT)	127,474	Overseas business		
The Kansai Electric Power Company, Incorporated	105,309	Electric power business		
TEPCO Energy Partner, Incorporated	¥103,374	Electric power business		

**For the year ended March 31, 2020**

**1. Information by products and services**

The information is omitted as similar information is disclosed in segment information.

**2. Regional information**

**(1) Operating revenue**

				Millions of yen
Japan	Thailand	Other		Total
¥707,411	¥178,717	¥27,646		¥913,775

(Note) Sales are classified by countries or regions based on locations of customers.

**(2) Tangible noncurrent assets**

				Millions of yen
Japan	Thailand	Other		Total
¥1,568,064	¥310,573	¥59,750		¥1,938,387

**3. Sales to main customers**

			Millions of yen	
			Amount of sales	Related segment
Electricity Generating Authority of Thailand (EGAT)	¥164,361	Overseas business		
The Chugoku Electric Power Company, Incorporated	114,045	Electric power business		
TEPCO Energy Partner, Incorporated	¥100,696	Electric power business		

## Notes to Consolidated Financial Statements

### (Impairment loss on noncurrent assets by reportable segments)

#### For the year ended March 31, 2019

	Millions of yen				
	Electric power	Electric power related	Overseas	Other	Total
Impairment loss	¥631	¥0	—	—	¥632

#### For the year ended March 31, 2020

	Millions of yen				
	Electric power	Electric power related	Overseas	Other	Total
Impairment loss	¥732	¥2,854	—	—	¥3,586

### (Information about amortization and balance of goodwill by reportable segments)

#### For the year ended March 31, 2019

Not applicable.

#### For the year ended March 31, 2020

Not applicable.

### (Information about gain on negative goodwill by reportable segments)

#### For the year ended March 31, 2019

Not applicable.

#### For the year ended March 31, 2020

Not applicable.

## Related Party Information

### 1. Summary of financial information of important affiliates

#### For the year ended March 31, 2019

Type	Affiliate
Company name	PT. BHIMASENA POWER INDONESIA
Location	Jakarta, Indonesia
Capital or contribution (Millions of U.S. dollars)	10
Business description	Thermal power business
Ownership of voting rights (%)	Direct 34.0
Relationship with related party	Guarantee of loan / Interlocking directors
Transaction	Guarantee of loan *1, *2
Amount of transaction (Millions of yen)	33,473
Account name	—
Balance at the end of the year (Millions of yen)	—

\*1 The consumption taxes are not included in the amount stated above.

\*2 Terms and conditions, and policy for determining terms and conditions

The Company executes guarantees of loans from financial institutions.

The Company executes guarantees of loans for the letters of guarantee of power sales agreements of financial institutions.

## For the year ended March 31, 2020

Type	Affiliate
Company name	PT. BHIMASENA POWER INDONESIA
Location	Jakarta, Indonesia
Capital or contribution (Millions of U.S. dollars)	10
Business description	Thermal power business
Ownership of voting rights (%)	Direct 34.0
Relationship with related party	Guarantee of loan / Interlocking directors
Transaction	Guarantee of loan <sup>*1, *2</sup>
Amount of transaction (Millions of yen)	32,821
Account name	—
Balance at the end of the year (Millions of yen)	—

\*1 The consumption taxes are not included in the amount stated above.

\*2 Terms and conditions, and policy for determining terms and conditions

The Company executes guarantees of loans from financial institutions.

The Company executes guarantees of loans for the letters of guarantee of power sales agreements of financial institutions.

## Per Share Information

Year ended March 31	Yen	
	2019	2020
Net assets per share	¥4,356.54	¥4,412.84
Earnings per share	¥252.68	¥230.96

(Notes) 1. Since there were no potential shares such as bonds with subscription right to shares, diluted earnings per share is not indicated.

2. The basis of calculation of earnings per share is shown below.

Year ended March 31		2019	2020
Profit attributable to owners of parent	Millions of yen	¥46,252	¥42,277
Amount not attributable to ordinary shareholders	Millions of yen	—	—
Profit attributable to owners of parent related to common stock	Millions of yen	¥46,252	¥42,277
Weighted average number of common stock outstanding during the year	Thousands of shares	183,049	183,048

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

As of March 31		2019	2020
Total net assets	Millions of yen	¥845,582	¥857,387
Amount deducted from total net assets	Millions of yen	¥48,123	¥49,623
(non-controlling interests included in the above)		(¥48,123)	(¥49,623)
Year-end net assets related to common stock	Millions of yen	¥797,459	¥807,764
The number of common stock used in the calculation of net assets per share	Thousands of shares	183,048	183,048

## Significant Subsequent Events

### (Split of the Company's business)

On April 1, 2020, the Company implemented the company split and transferred its transmission business to Electric Power Development Electricity Transmission Business Division Co., Ltd, a wholly owned subsidiary of the Company which has changed its name to J-POWER Transmission Network Co., Ltd. on the same day.

The amounts of assets and liabilities transferred associated with this company split are as follows, and this transaction was treated as a transaction under common control in accordance with

“Accounting Standard for Business Combinations”, “Accounting Standard for Business Divestitures” and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures”

Total assets	250,082 million yen
Total liabilities	218,562 million yen



# Schedule of Consolidated Financial Statements

## Schedule of Bonds Payable

### Electric Power Development Co., Ltd. straight bond

No.	Issued date	Balance as of April 1, 2019	Balance as of Mar. 31, 2020	Interest rate	Secured/Unsecured	Term of redemption (lump-sum)
		Millions of yen	Millions of yen	%		
3	Mar. 2, 2004	¥10,000	¥10,000	2.010	Unsecured	Dec. 20, 2023
5	Nov. 2, 2004	10,000	10,000	2.240	Unsecured	Sep. 20, 2024
8	Feb. 24, 2005	20,000	20,000	2.110	Unsecured	Dec. 20, 2024
11	Jun. 7, 2005	20,000	20,000	2.050	Unsecured	Mar. 19, 2025
13	Jul. 22, 2005	20,000	20,000	2.040	Unsecured	Jun. 20, 2025
15	Oct. 20, 2005	20,000	20,000	2.110	Unsecured	Sep. 19, 2025
26	Mar. 12, 2009	14,992	14,993	2.220	Unsecured	Dec. 20, 2028
27	May 21, 2009	20,000	—	1.608	Unsecured	May 20, 2019
28	Aug. 28, 2009	20,000	—	1.474	Unsecured	Aug. 20, 2019
29	Nov. 30, 2009	20,000	—	1.405	Unsecured	Nov. 20, 2019
30	May 20, 2010	20,000	*1 20,000	1.394	Unsecured	May 20, 2020
31	Sep. 9, 2010	20,000	*1 20,000	1.155	Unsecured	Sep. 18, 2020
32	Dec. 9, 2010	20,000	*1 20,000	1.285	Unsecured	Dec. 18, 2020
33	Feb. 24, 2011	20,000	*1 20,000	1.422	Unsecured	Feb. 19, 2021
35	Oct. 22, 2012	20,000	20,000	1.126	Unsecured	Oct. 20, 2022
37	Jul. 25, 2013	20,000	20,000	1.035	Unsecured	Jul. 20, 2021
38	Dec. 16, 2013	20,000	20,000	0.978	Unsecured	Dec. 20, 2023
39	Feb. 24, 2014	20,000	20,000	0.929	Unsecured	Feb. 20, 2024
40	Jun. 11, 2014	20,000	20,000	0.889	Unsecured	Jun. 20, 2024
41	Sep. 2, 2014	20,000	20,000	0.782	Unsecured	Aug. 20, 2024
42	Apr. 18, 2016	10,000	10,000	0.310	Unsecured	Apr. 20, 2026
43	Jun. 7, 2016	20,000	20,000	0.290	Unsecured	Jun. 19, 2026
44	Oct. 20, 2016	10,000	10,000	0.688	Unsecured	Oct. 20, 2036
45	Nov. 29, 2016	10,000	10,000	0.260	Unsecured	Nov. 20, 2026
46	Jan. 19, 2017	20,000	20,000	0.220	Unsecured	Jan. 19, 2024
47	Feb. 22, 2017	10,000	10,000	0.919	Unsecured	Feb. 20, 2037
48	Apr. 13, 2017	10,000	10,000	0.569	Unsecured	Apr. 20, 2032
49	May 18, 2017	20,000	20,000	0.400	Unsecured	May 20, 2027
50	Jul. 19, 2017	10,000	10,000	0.415	Unsecured	Jul. 20, 2027
51	Jul. 19, 2017	10,000	10,000	0.858	Unsecured	Jul. 17, 2037
52	Sep. 12, 2017	10,000	10,000	0.748	Unsecured	Sep. 18, 2037
53	Oct. 13, 2017	10,000	10,000	0.380	Unsecured	Oct. 20, 2027
54	Nov. 15, 2017	30,000	30,000	0.380	Unsecured	Nov. 19, 2027
55	May 23, 2018	20,000	20,000	0.375	Unsecured	May 19, 2028
56	May 23, 2018	10,000	10,000	0.540	Unsecured	May 20, 2033
57	Jul. 11, 2018	20,000	20,000	0.355	Unsecured	Jul. 20, 2028
58	Jul. 11, 2018	10,000	10,000	0.705	Unsecured	Jul. 20, 2038
59	Sep. 19, 2018	20,000	20,000	0.414	Unsecured	Sep. 20, 2028
60	Sep. 19, 2018	10,000	10,000	0.804	Unsecured	Sep. 20, 2038
61	Oct. 12, 2018	10,000	10,000	0.682	Unsecured	Oct. 20, 2033
62	Oct. 23, 2018	10,000	10,000	0.805	Unsecured	Oct. 20, 2036
63	Nov. 29, 2018	10,000	10,000	0.250	Unsecured	Nov. 20, 2025
64	Apr. 10, 2019	—	10,000	0.450	Unsecured	Apr. 20, 2029
65	Apr. 10, 2019	—	10,000	0.739	Unsecured	Apr. 20, 2039
66	Apr. 23, 2019	—	10,000	1.146	Unsecured	Apr. 20, 2049
67	Sep. 5, 2019	—	10,000	0.240	Unsecured	Sep. 20, 2029
68	Sep. 5, 2019	—	10,000	0.480	Unsecured	Sep. 20, 2039
69	Oct. 10, 2019	—	20,000	0.500	Unsecured	Oct. 20, 2039
Total		¥674,992	¥684,993	—	—	—

(Notes) 1. The balances as of March 31, 2020 regarding bonds No. 30, 31, 32, 33 are redeemable within one year.

2. The amounts redeemable within five years after March 31, 2020 are as follows;

	Millions of yen
Due in one year or less	¥80,000
Due after one year through two years	20,000
Due after two years through three years	20,000
Due after three years through four years	70,000
Due after four years through five years	¥90,000

## Schedule of Loans, etc.

	Balance as of April 1, 2019	Balance as of March 31, 2020	Average rate of interest	Repayment date
	Millions of yen	Millions of yen	%	
Long-term loans (excluding current portion)	¥852,269	¥865,369	1.620	From Apr. 1, 2021 To Mar. 31, 2037
Lease obligations (excluding current portion)	1,106	2,218	—	From Apr. 1, 2021 To Apr. 29, 2039
Current portion of long-term loans	98,837	80,048	0.928	—
Current portion of lease obligations	383	861	—	—
Short-term loans	15,278	14,952	0.172	—
Total	¥967,875	¥963,448	—	—

(Notes) 1. Average rate of interest is the weighted average rate of interest for loans as of March 31, 2020.

2. Average rate of interest for "Lease obligations (excluding current portion)" and "Current portion of lease obligations" is not presented as the amounts of lease obligations on the consolidated balance sheets include the interest portion.

3. Scheduled redemption amount of repayment of "Long-term loans (excluding current portion)" and "Lease obligations (excluding current portion)" within five years after March 31, 2020 are as follows;

	Millions of yen	
	Long-term loans	Lease obligations
Due after one year through two years	¥65,864	¥717
Due after two years through three years	118,892	434
Due after three years through four years	99,744	454
Due after four years through five years	¥78,106	¥310

## Schedule of Asset Retirement Obligations

	Millions of yen			
	Balance as of April 1, 2019	Increase	Decrease	Balance as of March 31, 2020
Restoration obligations due to real estate lease agreement	¥15,896	¥2,549	¥(420)	¥18,025
Restoration obligation due to the electric power sales contract in overseas business	6,171	618	(548)	6,241
Other	¥7,323	¥1,188	¥(1,515)	¥6,996

# Independent Auditor's Report



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## Independent Auditor's Report

The Board of Directors  
Electric Power Development Co., Ltd.

### Opinion

We have audited the accompanying consolidated financial statements of Electric Power Development Co., Ltd. and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's financial reporting process.



### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC  
Tokyo, Japan

June 26, 2020

白洞龍三 

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Designated Engagement Partner  
Certified Public Accountant

高橋幸哉 

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Certified Public Accountant

齋藤克宏 

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**Electric Power Development Co., Ltd.**

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