

This is an English translation of the Quarterly Financial Results (*Kessan Tanshin*) filed with the Tokyo Stock Exchange on January 29, 2016. Please note that if there is any discrepancy, the original Japanese version will take priority.



(English Translation)

## Quarterly Financial Results (Unaudited) (for the Nine Months Ended December 31, 2015)

January 29, 2016

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

Listed exchange: Tokyo Stock Exchange (Code: 9513)

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Scheduled date for filing of a quarterly report: February 3, 2016

Scheduled date of dividend payment commencement: Not applicable

Preparation of supplementary explanations material: Yes

Quarterly financial results presentation held: No

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

#### 1. Consolidated Financial Results (From April 1, 2015 to December 31, 2015)

##### (1) Consolidated Operating Results

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

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended Dec. 31, 2015	578,880	6.4	77,380	30.9	55,271	3.3	39,592	1.3
Nine months ended Dec. 31, 2014	543,969	4.7	59,109	16.2	53,495	27.6	39,065	29.0

(Note) Comprehensive income: Nine months ended Dec. 31, 2015 8,534 million yen (80.7) %  
 Nine months ended Dec. 31, 2014 44,193 million yen (30.1) %

	Earnings per share	Fully diluted earnings per share
	yen	yen
Nine months ended Dec. 31, 2015	216.29	—
Nine months ended Dec. 31, 2014	260.35	—

##### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
Nine months ended Dec. 31, 2015	2,552,634	693,708	26.9
Year ended March 31, 2015	2,659,149	696,298	25.9

(Reference) Shareholders' equity: Nine months ended Dec. 31, 2015 685,673 million yen  
 Year ended March 31, 2015 688,731 million yen

#### 2. Dividends

	Cash dividends per share				
	Record date				Annual
	Jun. 30	Sep. 30	Dec. 31	Mar. 31	
	yen	yen	yen	yen	yen
Year ended March 31, 2015	—	35.00	—	35.00	70.00
Year ending March 31, 2016	—	35.00	—	—	—
Year ending March 31, 2016 (forecasts)	—	—	—	35.00	70.00

(Note) Revisions to dividends forecasts in the current quarter: None

### 3. Consolidated Earnings Forecasts for the Year Ending March 31, 2016 (From April 1, 2015 to March 31, 2016)

(Percentages (%) represent changes from the previous year)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2016	792,000	5.5	83,000	13.9	55,000	(7.3)	42,000	(2.8)	229.45

(Note) Revisions to consolidated earnings forecasts in the current quarter: None

### 4. Other Information

(1) Principal subsidiaries subject to changes: None

(2) Application of accounting methods which are exceptional for quarterly consolidated financial statements: None

(3) Changes in accounting policy, accounting estimates and restatement of corrections

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

2) Changes in accounting policy except 1): None

3) Changes in accounting estimates: None

4) Restatement of corrections: None

Note: For the details, please refer to "Summary Information (Notes)" on page 3.

(4) Number of shares issued (common stock)

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

Nine months ended Dec. 31, 2015: 183,051,100

Year ended March 31, 2015: 183,051,100

2) Treasury stock at the end of the period

Nine months ended Dec. 31, 2015: 1,131

Year ended March 31, 2015: 651

3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2015: 183,050,176

Nine months ended Dec. 31, 2014: 150,051,097

#### \* Presentation for quarterly review procedures

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

#### \* Forward-looking statements and other special notes

- The earnings forecasts are forward-looking statements made on the basis of available information current at the time forecasts are made and contain uncertain elements. Therefore, actual earnings may differ from forecast figures as a result of changes in business performance and other factors.
- The supplementary explanation material is available on our website at <http://www.jpowers.co.jp/english/> under the investor relations section.

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## 1. Qualitative Information on Consolidated Financial Results

### (1) Qualitative Information on Consolidated Operating Results

#### 1) Electricity Sales Volume

In the wholesale electric power business, electricity sales volume from hydroelectric power plants for the nine months ended December 31, 2015 showed 14.4% increase at 7.9 TWh, due mainly to the increase of the water supply rate from 95% in the same period of the previous fiscal year to 109%. In thermal power, an increase in the load factor of the thermal power plants from 74% to 78% resulted in 5.2% increase in electricity sales volume from the same period of the previous fiscal year to 40.5 TWh. As a result, total electricity sales volume from both hydroelectric and thermal power plants in the wholesale electric power business increased 6.6% from the same period of the previous fiscal year to 48.5 TWh. Electricity sales volume in the other electric power business decreased 21.4% from the same period of the previous fiscal year to 1.3 TWh, due mainly to the exclusion of Ichihara Power, which had been a consolidated subsidiary, from the scope of consolidation as all of its owned shares were sold in March 2015. As a result, electricity sales volume in the electric power business as a whole increased 5.6% from the same period of the previous fiscal year to 49.9 TWh.

Also, electricity sales volume in the overseas business increased 70.1% from the same period of the previous fiscal year to 9.6 TWh. This was mainly due to the operation of Nong Saeng IPP project, which commenced commercial operation in 2014 (unit No.1 in June 2014, unit No.2 in December 2014), throughout the term and the commencement of commercial operation of U-Thai IPP project unit No.1 in June 2015 in Thailand.

#### 2) Overview of Income and Expenditures

Sales (operating revenues) increased 6.4% from the same period of the previous fiscal year to 578.8 billion yen mainly due to the operation of Nong Saeng IPP project throughout the term and the commencement of commercial operation of U-Thai IPP project unit No.1. Furthermore, total ordinary revenue including non-operating income for the nine months also increased 6.0% from the same period of the previous fiscal year to 594.8 billion yen.

At the same time, operating expenses increased 3.4% from the same period of the previous fiscal year to 501.4 billion yen. This was mainly due to the increase of fuel costs with the operation of Nong Saeng IPP project throughout the term and the commencement of commercial operation of U-Thai IPP project unit No.1. Non-operating expenses also increased 65.8% from the same period of the previous fiscal year to 38.0 billion yen due mainly to foreign exchange losses and total ordinary expenses for the nine months increased 6.3% from the same period of the previous fiscal year to 539.5 billion yen.

As a result, ordinary income increased 3.3% from the same period of the previous fiscal year to 55.2 billion yen and profit attributable to owners of parent after corporate income tax increased 1.3% from the same period of the previous fiscal year to 39.5 billion yen.

## **(2) Qualitative Information on Consolidated Financial Position**

Total assets decreased 106.5 billion yen from the end of the previous fiscal year to 2.5526 trillion yen due mainly to the decrease of non-current assets.

At the same time, total liabilities decreased 103.9 billion yen from the end of the previous fiscal year to 1.8589 trillion yen. Interest-bearing debt decreased 94.2 billion yen from the end of the previous fiscal year to 1.6294 trillion yen. Non-recourse loans in overseas business accounted for 310.1 billion yen of interest-bearing debt.

Total net assets decreased 2.5 billion yen from the end of the previous fiscal year to 693.7 billion yen due mainly to decrease in foreign currency translation adjustment, despite the posting of profit attributable to owners of parent for the nine months. As a result, the shareholders' equity ratio increased from 25.9% at the end of the previous fiscal year to 26.9%.

## **(3) Qualitative Information on Consolidated Earnings Forecasts**

There is no change in our forecasts announced on October 30, 2015.

## **2. Summary Information (Notes)**

### **Changes in Accounting Policy, Accounting Estimates and Restatement of Corrections**

#### Changes in Accounting Policy

“Revised Accounting Standard for Business Combinations” (ASBJ Statement No.21 of September 13, 2013), “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22 of September 13, 2013), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No.7 of September 13, 2013) and others were applied from the three months ended June 30, 2015. As a result of the application of these standards, representation of net income and other items was changed and minority interests was changed to non-controlling interests.

To reflect these changes in representation method, the consolidated financial statements for the nine months ended Dec. 31, 2014 and the year ended March 31, 2015 were rearranged to conform to the new format.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Unit: million yen)

	As of Mar. 31, 2015	As of Dec. 31, 2015
<b>Assets</b>		
Non-current assets	2,275,453	2,219,149
Electric utility plant and equipment	986,552	957,074
Hydroelectric power production facilities	348,911	342,954
Thermal power production facilities	334,252	320,813
Internal combustion engine power production facilities	5,105	4,956
Renewable power production facilities	40,877	36,884
Transmission facilities	168,680	163,400
Transformation facilities	30,206	29,897
Communication facilities	8,469	8,004
General facilities	50,049	50,163
Overseas business facilities	264,800	302,816
Other non-current assets	115,111	99,416
Construction in progress	506,967	478,790
Construction and retirement in progress	506,967	478,790
Nuclear fuel	71,467	73,058
Nuclear fuel in processing	71,467	73,058
Investments and other assets	330,555	307,992
Long-term investments	269,891	244,498
Net defined benefit asset	278	286
Deferred tax assets	38,705	38,459
Other	21,725	24,794
Allowance for doubtful accounts	(45)	(45)
Current assets	383,695	333,484
Cash and deposits	69,151	74,439
Notes and accounts receivable-trade	71,288	86,636
Short-term investments	167,433	77,409
Inventories	37,781	44,952
Deferred tax assets	5,736	5,014
Other	32,337	45,036
Allowance for doubtful accounts	(32)	(6)
<b>Total assets</b>	<b>2,659,149</b>	<b>2,552,634</b>

(Unit: million yen)

	As of Mar. 31, 2015	As of Dec. 31, 2015
<b>Liabilities</b>		
Non-current liabilities	1,633,825	1,509,853
Bonds payable	666,061	575,077
Long-term loans payable	857,846	830,026
Lease obligations	697	532
Other provision	84	83
Net defined benefit liability	48,901	48,058
Asset retirement obligations	7,510	9,684
Deferred tax liabilities	20,394	22,824
Other	32,327	23,564
Current liabilities	329,025	349,072
Current portion of noncurrent liabilities	169,754	205,475
Short-term loans payable	30,044	19,013
Notes and accounts payable-trade	44,035	37,497
Accrued taxes	13,516	17,883
Other provision	270	267
Asset retirement obligations	372	294
Deferred tax liabilities	5	3
Other	71,027	68,638
Total liabilities	1,962,851	1,858,925
<b>Net assets</b>		
Shareholders' equity	629,463	656,240
Capital stock	180,502	180,502
Capital surplus	109,902	109,902
Retained earnings	339,061	365,840
Treasury stock	(2)	(4)
Accumulated other comprehensive income	59,268	29,433
Valuation difference on available-for-sale securities	19,860	19,387
Deferred gains or losses on hedges	(15,821)	(15,830)
Foreign currency translation adjustment	53,205	25,019
Remeasurements of defined benefit plans	2,023	855
Non-controlling interests	7,566	8,034
Total net assets	696,298	693,708
Total liabilities and net assets	2,659,149	2,552,634

## (2) Consolidated Statements of Income and Comprehensive Income

Consolidated statements of income

(Unit: million yen)

	Nine months ended Dec. 31, 2014	Nine months ended Dec. 31, 2015
Operating revenue	543,969	578,880
Electric utility operating revenue	439,227	431,026
Overseas business operating revenue	66,432	110,977
Other business operating revenue	38,309	36,876
Operating expenses	484,860	501,499
Electric utility operating expenses	382,576	370,455
Overseas business operating expenses	60,939	92,454
Other business operating expenses	41,344	38,589
Operating income	59,109	77,380
Non-operating income	17,342	15,954
Dividend income	1,780	2,376
Interest income	813	648
Equity in earnings of affiliates	11,605	10,868
Other	3,143	2,059
Non-operating expenses	22,957	38,063
Interest expenses	19,938	21,948
Foreign exchange losses	-	13,627
Other	3,018	2,486
Total ordinary revenue	561,312	594,834
Total ordinary expenses	507,817	539,562
Ordinary income	53,495	55,271
Provision or reversal of reserve for fluctuation in water levels	(119)	-
Reversal of reserve for fluctuation in water levels	(119)	-
Income before income taxes and minority interests	53,614	55,271
Income taxes-current	9,770	11,983
Income taxes-deferred	4,205	3,875
Total income taxes	13,976	15,859
Profit	39,638	39,412
Profit (loss) attributable to non-controlling interests	573	(179)
Profit attributable to owners of parent	39,065	39,592



## Consolidated statements of comprehensive income

	(Unit: million yen)	
	Nine months ended Dec. 31, 2014	Nine months ended Dec. 31, 2015
Profit	39,638	39,412
Other comprehensive income		
Valuation difference on available-for-sale securities	6,326	(475)
Deferred gains or losses on hedges	(10,017)	(138)
Foreign currency translation adjustment	6,112	(22,855)
Remeasurements of defined benefit plans, net of tax	(1,936)	(1,170)
Share of other comprehensive income of entities accounted for using equity method	4,070	(6,237)
Total other comprehensive income	4,555	(30,877)
Comprehensive income	44,193	8,534
(Comprehensive income attributable to abstract)		
Comprehensive income attributable to owners of parent	44,179	9,757
Comprehensive income attributable to non-controlling interests	14	(1,222)

**(3) Notes on Premise of Going Concern**

There are no applicable items.

**(4) Notes on Significant Changes in Shareholders' Equity**

There are no applicable items.

## 4. Appendixes

[Appendix 1]

### Revenues and Expenses (Consolidated)

	Nine months ended Dec. 31, 2014 (A)	Nine months ended Dec. 31, 2015 (B)	(B) - (A)	(B-A)/A
	million yen	million yen	million yen	%
Operating revenue	543,969	578,880	34,910	6.4
Electric utility operating revenue	439,227	431,026	(8,200)	(1.9)
Electric power sales	400,879	392,651	(8,228)	(2.1)
Wholesale power business	370,684	370,973	289	0.1
Hydroelectric	80,880	83,248	2,368	2.9
Thermal	289,804	287,724	(2,079)	(0.7)
Other electric power business	30,195	21,677	(8,517)	(28.2)
Transmission revenue	36,961	36,743	(217)	(0.6)
Other electricity revenue	1,386	1,632	245	17.7
Overseas business operating revenue	66,432	110,977	44,544	67.1
Other business operating revenue	38,309	36,876	(1,433)	(3.7)
Operating expenses	484,860	501,499	16,639	3.4
Electric utility operating expenses	382,576	370,455	(12,120)	(3.2)
Personnel expense	20,176	22,794	2,618	13.0
Fuel cost	180,004	170,764	(9,239)	(5.1)
Repair expense	47,474	44,399	(3,074)	(6.5)
Consignment cost	21,444	20,515	(929)	(4.3)
Taxes and duties	19,196	18,890	(305)	(1.6)
Depreciation and amortization cost	59,266	55,504	(3,761)	(6.3)
Other	35,014	37,586	2,571	7.3
Overseas business operating expenses	60,939	92,454	31,515	51.7
Other business operating expenses	41,344	38,589	(2,755)	(6.7)
Operating income	59,109	77,380	18,271	30.9
Non-operating income	17,342	15,954	(1,388)	(8.0)
Dividend income	1,780	2,376	596	33.5
Interest income	813	648	(165)	(20.3)
Equity income of affiliates	11,605	10,868	(736)	(6.3)
Other	3,143	2,059	(1,083)	(34.5)
Non-operating expenses	22,957	38,063	15,105	65.8
Interest expenses	19,938	21,948	2,009	10.1
Foreign exchange losses	-	13,627	13,627	-
Other	3,018	2,486	(531)	(17.6)
Total ordinary revenue	561,312	594,834	33,522	6.0
Total ordinary expenses	507,817	539,562	31,745	6.3
Ordinary income	53,495	55,271	1,776	3.3
Reversal of reserve for fluctuation in water levels	(119)	-	119	-
Income before income taxes and minority interests	53,614	55,271	1,657	3.1
Income taxes - current	9,770	11,983	2,213	22.7
Income taxes - deferred	4,205	3,875	(329)	(7.8)
Profit	39,638	39,412	(226)	(0.6)
Profit (loss) attributable to non-controlling interests	573	(179)	(753)	-
Profit attributable to owners of parent	39,065	39,592	527	1.3

[Appendix 2]

(1) Generation capacity

(Unit: kW)

	As of Dec. 31, 2014 (A)	As of Dec. 31, 2015 (B)	(B) - (A)
Electric power business	17,221,480	17,708,550	487,070
Wholesale electric power business	16,384,200	16,959,670	575,470
Hydroelectric	8,570,200	8,570,670	470
Thermal	7,814,000	8,389,000	575,000
Other electric power business (*1)	837,280	748,880	(88,400)
Overseas business (*2)	1,590,000	3,190,000	1,600,000
Total	18,811,480	20,898,550	2,087,070

(\*1) Other electric power business includes power plants for IPPs and PPSs etc, and wind power in Japan by consolidated subsidiaries.

(\*2) Overseas business includes power plants for IPPs and SPPs in Thailand by consolidated subsidiaries.

(2) Electricity sales volume and revenues

(Unit: GWh, million yen)

	As of Dec. 31, 2014 (A)		As of Dec. 31, 2015 (B)		(B) - (A)	
	Electricity sales volume	Revenues	Electricity sales volume	Revenues	Electricity sales volume	Revenues
Electric power business	47,260	400,879	49,903	392,651	2,643	(8,228)
Wholesale electric power business	45,491	370,684	48,514	370,973	3,022	289
Hydroelectric	6,938	80,880	7,939	83,248	1,001	2,368
Thermal	38,553	289,804	40,574	287,724	2,021	(2,079)
Other electric power business (*1)	1,768	30,195	1,389	21,677	(379)	(8,517)
Overseas business (*2)	5,658	64,738	9,624	109,325	3,965	44,587
Total	52,919	465,618	59,528	501,977	6,608	36,359

(\*1) Other electric power business includes power plants for IPPs and PPSs etc, and wind power in Japan by consolidated subsidiaries.

(\*2) Overseas business includes power plants for IPPs and SPPs in Thailand by consolidated subsidiaries.

(3) Water supply rate

(Unit: %)

	As of Dec. 31, 2014 (A)	As of Dec. 31, 2015 (B)	(B) - (A)
Water supply rate	95	109	14

[Appendix 3]

**Revenues and Expenses (Non-Consolidated)**

	Nine months ended Dec 31, 2014 (A)	Nine months ended Dec 31, 2015 (B)	(B) - (A)	(B-A)/A
	million yen	million yen	million yen	%
Operating revenue	417,470	418,521	1,050	0.3
<u>Electric utility operating revenue</u>	410,609	411,190	580	0.1
<u>Electric power sales</u>	371,001	371,583	582	0.2
Hydroelectric	80,880	83,248	2,368	2.9
Thermal	290,120	288,334	(1,785)	(0.6)
Transmission revenue	36,961	36,743	(217)	(0.6)
Other electricity revenue	2,647	2,862	215	8.1
<u>Incidental business operating revenue</u>	6,861	7,331	470	6.9
Operating expenses	374,438	372,277	(2,160)	(0.6)
<u>Electric utility operating expenses</u>	368,152	365,538	(2,613)	(0.7)
Personnel expense	20,971	23,608	2,637	12.6
Fuel cost	167,167	166,000	(1,167)	(0.7)
Repair expense	47,482	44,143	(3,339)	(7.0)
Taxes and duties	18,430	18,327	(102)	(0.6)
Depreciation and amortization cost	58,153	54,230	(3,923)	(6.7)
Other	55,947	59,228	3,281	5.9
<u>Incidental business operating expenses</u>	6,285	6,738	452	7.2
Operating income	43,032	46,243	3,211	7.5
Non-operating income	7,100	12,530	5,430	76.5
Non-operating expenses	16,343	14,938	(1,405)	(8.6)
Financial expenses	14,139	13,000	(1,138)	(8.1)
Other	2,204	1,937	(267)	(12.1)
Total ordinary revenue	424,571	431,052	6,481	1.5
Total ordinary expenses	390,782	387,215	(3,566)	(0.9)
Ordinary income	33,788	43,836	10,047	29.7
Reversal of reserve for fluctuation in water levels	(119)	-	119	-
Income before income taxes	33,908	43,836	9,928	29.3
Income taxes – current	7,009	8,540	1,530	21.8
Income taxes – deferred	2,416	1,844	(571)	(23.7)
Profit	24,483	33,451	8,968	36.6