

This is an English translation of the Financial Results (*Kessan Tanshin*) filed with the Tokyo Stock Exchange on January 29, 2021. 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, 2020)

January 29, 2021

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 1, 2021

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, 2020 to December 31, 2020)

(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, 2020	606,252	(10.3)	74,937	9.8	67,036	0.2	56,071	44.7
Nine months ended Dec. 31, 2019	676,003	2.4	68,237	(12.3)	66,911	(8.7)	38,743	(25.1)

(Note) Comprehensive income: Nine months ended Dec. 31, 2020 25,597 million yen 54.9 %
 Nine months ended Dec. 31, 2019 16,521 million yen (73.4) %

	Earnings per share	Fully diluted earnings per share
	yen	yen
Nine months ended Dec. 31, 2020	306.32	—
Nine months ended Dec. 31, 2019	211.66	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
Nine months ended Dec. 31, 2020	2,826,944	863,733	29.1
Year ended March 31, 2020	2,805,390	857,387	28.8

(Reference) Shareholders' equity: Nine months ended Dec. 31, 2020 821,392 million yen
 Year ended March 31, 2020 807,764 million yen

2. Dividends

	Cash dividends per share				Annual
	Record date				
	Jun. 30	Sep. 30	Dec. 31	Mar. 31	
	yen	yen	yen	yen	yen
Year ended March 31, 2020	—	35.00	—	40.00	75.00
Year ending March 31, 2021	—	35.00	—		
Year ending March 31, 2021 (forecasts)				40.00	75.00

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

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2021 (From April 1, 2020 to March 31, 2021)

(Percentages (%) represent changes from the same period of 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, 2021	-	-	-	-	-	-	-	-	-

(Note) Revisions to consolidated earnings forecasts in the current quarter: Yes

The electricity price at Japan Electric Power Exchange fluctuates so much that it is difficult to reasonably estimate sales and income. Therefore, the earnings forecast has been changed to undecided. (Please refer to "Qualitative Information on Consolidated Earnings Forecasts" on page 3)

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 policies, accounting estimates and restatement of corrections
 - 1) Changes in accounting policies due to revisions of accounting standards etc.: None
 - 2) Changes in accounting policies except 1): None
 - 3) Changes in accounting estimates: None
 - 4) Restatement of corrections: None
- (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, 2020:	183,051,100
Year ended March 31, 2020:	183,051,100
 - 2) Treasury stock at the end of the period

Nine months ended Dec. 31, 2020:	2,581
Year ended March 31, 2020:	2,441
 - 3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2020:	183,048,592
Nine months ended Dec. 31, 2019:	183,048,874

* This quarterly financial results is out of the scope of quarterly review procedures by CPA or an audit firm

* Forward-looking statements and other special notes

- The Company has revised its earnings forecasts for the year ending March 31, 2021 announced on October 30, 2020. For the details, please refer to "Qualitative Information on Consolidated Earnings Forecasts" on page 3 and "Notice Regarding Revisions to the Earnings Forecasts" announced today, January 29, 2021.
- The forward-looking statements described in this material are made on the basis of currently available information and contain uncertain elements. Therefore, actual results may differ from forecast.
- The supplementary explanation material is available on our website at <https://www.jpowers.co.jp/english/> under the investor relations section.

[Reference]

Non-consolidated Earnings Forecasts for the Year Ending March 31, 2021 (From April 1, 2020 to March 31, 2021)

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

	Operating revenue		Operating income		Ordinary income		Profit		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2021	-	-	-	-	-	-	-	-	-

(Note) Revisions to non-consolidated earnings forecasts in the current quarter: Yes

The electricity price at Japan Electric Power Exchange fluctuates so much that it is difficult to reasonably estimate sales and income. Therefore, the earnings forecast has been changed to undecided. (Please refer to "Qualitative Information on Consolidated Earnings Forecasts" on page 3)

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1. Qualitative Information on Consolidated Financial Results

(1) Qualitative Information on Consolidated Operating Results

1) Electricity Sales Volume

In the electric power business, electricity sales volume from hydroelectric power plants for the nine months ended December 31, 2020 showed 2.5% decrease from the same period of the previous fiscal year to 6.8TWh, due mainly to the decrease in water supply rate from 98% to 92%. In thermal power, the commencement of commercial operations of Takehara Thermal Power Plant New Unit No.1 on June 30, 2020 and the increase in the load factor of thermal power plants of J-POWER (non-consolidated) from 74% to 76% resulted in 4.9% increase in electricity sales volume from the same period of the previous fiscal year to 39.1TWh. Despite the volume of electricity procured from wholesale electricity market and sold to retailers decreased, the sales volume of electricity procured from Kashima Thermal Power Plant Unit No.2 which commenced commercial operations on July 1, 2020 also contributed to 2.8% increase in total electricity sales volume of the electric power business from the same period of the previous fiscal year to 54.7TWh.

Electricity sales volume in the overseas business decreased 21.0% from the same period of the previous fiscal year to 9.0TWh.

2) Overview of Income and Expenditures

Sales (operating revenues) decreased 10.3% from the same period of the previous fiscal year to 606.2 billion yen, mainly due to the decrease in fuel price for thermal power plants and fall in electricity market price while electricity sales volume in the electric power business increased with the commencement of commercial operations of Takehara Thermal Power Plant New Unit No.1 and Kashima Thermal Power Plant Unit No.2. Total ordinary revenue including non-operating revenue decreased 10.3% from the same period of the previous fiscal year to 624.4 billion yen.

Operating expenses decreased 12.6% from the same period of the previous fiscal year to 531.3 billion yen, mainly due to the decrease in purchased power from other suppliers, decrease in fuel costs for thermal power plants and decrease in repair expense including periodic inspection costs in the electric power business. Total ordinary expenses including non-operating expenses decreased 11.5% from the same period of the previous fiscal year to 557.4 billion yen.

As a result, ordinary income resulted in 67.0 billion yen, about the same as the same period of the previous fiscal year. Profit attributable to owners of parent increased 44.7% from the same period of the previous fiscal year to 56.0 billion yen, mainly due to gain on sales of shares of subsidiaries and associates posted under extraordinary income with the sales of all the shares held of Chiahui Power Corporation which was a company accounted for using equity method, and elimination of loss on business of subsidiaries and associates posted in the previous fiscal year under extraordinary losses.

(2) Qualitative Information on Consolidated Financial Position

Total assets increased 21.5 billion yen from the end of the previous fiscal year to 2.8269 trillion yen. This is mainly due to progress of construction works of Takehara Thermal Power Plant New Unit No.1 and Jackson Gas-fired Thermal Power Plant in the US.

Total liabilities increased 15.2 billion yen from the end of the previous fiscal year to 1.9632 trillion yen. Of this amount, interest-bearing debt accounted for 1.6484 trillion yen, which includes 279.3 billion yen of non-recourse loans in overseas business.

Total net assets increased 6.3 billion yen to 863.7 billion yen, due mainly to posting of profit attributable to owners of parent while foreign currency translation adjustment and deferred gains or losses on hedges decreased.

As a result, shareholders' equity ratio increased from 28.8% at the end of the previous fiscal year to 29.1%.

(3) Qualitative Information on Consolidated Earnings Forecasts

The electricity price at Japan Electric Power Exchange (JEPX) soared since late December due to such factors as an increase in electricity demand with a drop in temperature. Non-consolidated sales and income are on the rise because J-POWER sells electricity at JEPX, but as for affiliated companies, costs are on the rise followed by decline in income because they have been procuring electricity from JEPX for power sales to retailers. Currently, the JEPX price fluctuates so much that it is not possible to predict future price trends, and it is difficult to reasonably estimate sales and income for both consolidated and non-consolidated. Therefore, the earnings forecast has been changed to undecided.

New earnings forecasts will be promptly disclosed when it becomes possible to estimate them.

2. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Unit: million yen)

	As of Mar. 31, 2020	As of Dec. 31, 2020
Assets		
Non-current assets	2,471,347	2,450,924
Electric utility plant and equipment	965,082	1,104,840
Hydroelectric power production facilities	353,720	349,824
Thermal power production facilities	296,715	426,280
Internal combustion engine power production facilities	2,377	1,533
Renewable power production facilities	72,492	85,454
Transmission facilities	147,922	146,301
Transformation facilities	28,896	31,651
Communication facilities	8,597	6,335
General facilities	54,359	57,458
Overseas business facilities	316,333	282,661
Other non-current assets	90,924	88,559
Construction in progress	647,160	555,237
Construction and retirement in progress	647,160	555,237
Nuclear fuel	74,812	75,153
Nuclear fuel in processing	74,812	75,153
Investments and other assets	377,033	344,471
Long-term investments	288,706	266,112
Deferred tax assets	59,413	57,010
Other	28,994	21,448
Allowance for doubtful accounts	(81)	(99)
Current assets	334,043	376,019
Cash and deposits	159,325	190,141
Notes and accounts receivable-trade	80,466	69,094
Inventories	50,375	49,309
Other	43,876	67,623
Allowance for doubtful accounts	(0)	(147)
Total assets	2,805,390	2,826,944

(Unit: million yen)

	As of Mar. 31, 2020	As of Dec. 31, 2020
Liabilities		
Non-current liabilities	1,642,354	1,694,305
Bonds payable	604,993	634,993
Long-term loans payable	865,369	880,782
Lease obligations	2,218	2,558
Other provision	29	28
Net defined benefit liability	60,119	59,204
Asset retirement obligations	30,877	31,431
Deferred tax liabilities	16,715	14,195
Other	62,031	71,109
Current liabilities	305,648	268,904
Current portion of non-current liabilities	161,013	120,147
Short-term loans payable	14,952	15,069
Notes and accounts payable-trade	28,729	21,284
Accrued taxes	19,430	20,472
Other provision	622	581
Asset retirement obligations	386	430
Other	80,514	90,918
Total liabilities	1,948,003	1,963,210
Net assets		
Shareholders' equity	806,197	848,539
Capital stock	180,502	180,502
Capital surplus	119,877	119,877
Retained earnings	505,825	548,167
Treasury shares	(8)	(8)
Accumulated other comprehensive income	1,567	(27,146)
Valuation difference on available-for-sale securities	6,156	8,534
Deferred gains or losses on hedges	(23,263)	(37,489)
Foreign currency translation adjustment	22,479	3,841
Remeasurements of defined benefit plans	(3,806)	(2,033)
Non-controlling interests	49,623	42,341
Total net assets	857,387	863,733
Total liabilities and net assets	2,805,390	2,826,944

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated statement of income

	(Unit: million yen)	
	Nine months ended Dec. 31, 2019	Nine months ended Dec. 31, 2020
Operating revenue	676,003	606,252
Electric utility operating revenue	509,840	471,129
Overseas business operating revenue	130,608	107,276
Other business operating revenue	35,554	27,847
Operating expenses	607,766	531,315
Electric utility operating expenses	464,199	413,061
Overseas business operating expenses	109,105	85,128
Other business operating expenses	34,461	33,125
Operating income	68,237	74,937
Non-operating income	20,467	18,199
Dividend income	1,462	2,752
Interest income	1,000	386
Share of profit of entities accounted for using equity method	9,140	12,375
Foreign exchange gains	5,993	-
Other	2,870	2,684
Non-operating expenses	21,792	26,100
Interest expenses	19,612	17,755
Other	2,180	8,344
Total ordinary revenue	696,470	624,452
Total ordinary expenses	629,558	557,416
Ordinary income	66,911	67,036
Extraordinary income	-	9,745
Gain on sales of shares of subsidiaries and associates	-	9,745
Extraordinary losses	8,974	-
Loss on business of subsidiaries and associates	8,974	-
Profit before income taxes	57,936	76,782
Income taxes-current	10,353	15,548
Income taxes-deferred	(142)	(123)
Total income taxes	10,210	15,425
Profit	47,726	61,357
Profit attributable to non-controlling interests	8,982	5,285
Profit attributable to owners of parent	38,743	56,071

Consolidated statement of comprehensive income

	(Unit: million yen)	
	Nine months ended Dec. 31, 2019	Nine months ended Dec. 31, 2020
Profit	47,726	61,357
Other comprehensive income		
Valuation difference on available-for-sale securities	(388)	1,784
Deferred gains or losses on hedges	(14,619)	(5,366)
Foreign currency translation adjustment	(4,241)	(17,465)
Remeasurements of defined benefit plans, net of tax	1,404	1,766
Share of other comprehensive income of entities accounted for using equity method	(13,360)	(16,478)
Total other comprehensive income	(31,204)	(35,759)
Comprehensive income	16,521	25,597
(Comprehensive income attributable to abstract)		
Comprehensive income attributable to owners of parent	11,562	27,357
Comprehensive income attributable to non-controlling interests	4,959	(1,759)

(3) Notes on Premise of Going Concern

Not applicable.

(4) Notes on Significant Changes in Shareholders' Equity

Not applicable.

(5) Additional Information

(Spread of COVID-19 infection)

The J-POWER Group is promoting power plant construction projects in the US, UK and Indonesia. COVID-19 infection is spreading in these countries and 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, there are currently no significant events affecting the financial position. There are no significant changes from the contents described in the securities report filed on June 26, 2020.

3. Appendixes

[Appendix 1]

Revenues and Expenses (Consolidated)

(Unit: million yen)

	Nine months ended Dec. 31, 2019 (A)	Nine months ended Dec. 31, 2020 (B)	Year-on-year change	
			(B-A)	(B-A)/A
Operating revenue	676,003	606,252	(69,750)	(10.3)%
Electric utility operating revenue	509,840	471,129	(38,711)	(7.6)%
Sold power to other suppliers	470,373	424,775	(45,598)	(9.7)%
Transmission revenue	37,360	37,407	46	0.1%
Other electricity revenue	2,105	8,946	6,840	324.8%
Overseas business operating revenue	130,608	107,276	(23,332)	(17.9)%
Other business operating revenue	35,554	27,847	(7,707)	(21.7)%
Operating expenses	607,766	531,315	(76,450)	(12.6)%
Electric utility operating expenses	464,199	413,061	(51,137)	(11.0)%
Personnel expense	25,464	26,045	581	2.3%
Fuel cost	177,643	146,279	(31,363)	(17.7)%
Repair expense	52,077	28,523	(23,553)	(45.2)%
Consignment cost	25,260	31,304	6,043	23.9%
Taxes and duties	18,546	17,750	(795)	(4.3)%
Depreciation and amortization cost	42,418	53,240	10,822	25.5%
Other	122,790	109,918	(12,872)	(10.5)%
Overseas business operating expenses	109,105	85,128	(23,977)	(22.0)%
Other business operating expenses	34,461	33,125	(1,335)	(3.9)%
Operating income	68,237	74,937	6,700	9.8%
Non-operating income	20,467	18,199	(2,267)	(11.1)%
Dividend income	1,462	2,752	1,289	88.1%
Interest income	1,000	386	(613)	(61.3)%
Share of profit of entities accounted for using equity method	9,140	12,375	3,235	35.4%
Foreign exchange gains	5,993	-	(5,993)	-
Other	2,870	2,684	(185)	(6.5)%
Non-operating expenses	21,792	26,100	4,307	19.8%
Interest expenses	19,612	17,755	(1,856)	(9.5)%
Other	2,180	8,344	6,164	282.8%
Total ordinary revenue	696,470	624,452	(72,018)	(10.3)%
Total ordinary expenses	629,558	557,416	(72,142)	(11.5)%
Ordinary income	66,911	67,036	124	0.2%
Extraordinary income	-	9,745	9,745	-
Extraordinary losses	8,974	-	(8,974)	-
Profit before income taxes	57,936	76,782	18,845	32.5%
Income taxes-current	10,353	15,548	5,195	50.2%
Income taxes-deferred	(142)	(123)	18	(13.1)%
Profit	47,726	61,357	13,630	28.6%
Profit attributable to non-controlling interests	8,982	5,285	(3,696)	(41.2)%
Profit attributable to owners of parent	38,743	56,071	17,327	44.7%

[Appendix 2]

(1) Generation capacity

(Unit: kW)

	As of Dec. 31, 2019 (A)	As of Dec. 31, 2020 (B)	Year-on-year change (B-A)
Electric power business	17,177,449	17,913,449	736,000
Hydroelectric power	8,560,369	8,560,369	-
Thermal power	8,173,420	8,773,420	600,000
Wind power	443,660	579,660	136,000
Overseas business	3,990,000	3,990,000	-
Total	21,167,449	21,903,449	736,000

(2) Electricity sales volume

(Unit: GWh)

	Nine months ended Dec. 31, 2019 (A)	Nine months ended Dec. 31, 2020 (B)	Year-on-year change (B-A)
Electric power business	53,274	54,744	1,469
Hydroelectric power	7,057	6,878	(178)
Thermal power	37,329	39,170	1,841
Wind power	549	793	244
Other	8,338	7,901	(437)
Overseas business	11,415	9,022	(2,393)
Total	64,690	63,767	(923)

* Other shows sales volume of electricity procured from wholesale electricity market, etc.

(3) Water supply rate and Load factor (J-POWER non-consolidated)

(Unit: %)

	Nine months ended Dec. 31, 2019 (A)	Nine months ended Dec. 31, 2020 (B)	Year-on-year change (B-A)
Water supply rate	98	92	(6)
Load factor	74	76	2