

This is an English translation of the Financial Results (*Kessan Tanshin*) filed with the Tokyo Stock Exchange on July 29, 2022. Please note that if there is any discrepancy, the original Japanese version will take priority.



(English Translation)

Quarterly Financial Results (Unaudited) (for the Three Months Ended June 30, 2022)

July 29, 2022

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

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Scheduled date for filing of a quarterly report: August 1, 2022
 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, 2022 to June 30, 2022)

(1) Consolidated Operating Results

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

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2022	323,319	68.6	19,507	(9.5)	21,487	8.1	13,036	(7.0)
Three months ended June 30, 2021	191,743	2.0	21,544	(4.6)	19,882	32.0	14,020	19.2

(Note) Comprehensive income: Three months ended June 30, 2022 73,910 million yen 40.3 %
 Three months ended June 30, 2021 52,669 million yen - %

	Earnings per share	Fully diluted earnings per share
	yen	yen
Three months ended June 30, 2022	71.22	—
Three months ended June 30, 2021	76.59	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
Three months ended June 30, 2022	3,265,234	1,028,759	29.8
Year ended March 31, 2022	3,066,176	964,105	29.9

(Reference) Shareholders' equity: Three months ended June 30, 2022 973,500 million yen
 Year ended March 31, 2022 916,029 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, 2022	—	35.00	—	40.00	75.00
Year ending March 31, 2023	—				
Year ending March 31, 2023 (forecasts)		40.00	—	40.00	80.00

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

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2023 (From April 1, 2022 to March 31, 2023)

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

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2023	1,431,000	31.9	110,000	26.5	100,000	37.3	67,000	(3.9)	366.02

(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: Yes

(Note) For details, please refer to “(5) Application of accounting methods which are exceptional for quarterly consolidated financial statements” on page 8.

(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): Yes

3) Changes in accounting estimates: None

4) Restatement of corrections: None

(Note) For details, please refer to “(6) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements” on page 8.

(4) Number of shares issued (common stock)

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

Three months ended June 30, 2022: 183,051,100

Year ended March 31, 2022: 183,051,100

2) Treasury stock at the end of the period

Three months ended June 30, 2022: 3,011

Year ended March 31, 2022: 2,971

3) Average number of shares outstanding during the period

Three months ended June 30, 2022: 183,048,124

Three months ended June 30, 2021: 183,048,356

* 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 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 <https://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 electric power business, electricity sales volume from hydroelectric power plants for the three months ended June 30, 2022 showed 6.6% decrease from the same period of the previous fiscal year to 2.5TWh, due mainly to the decrease in water supply rate from 98% to 91%. The volume of electricity sales from thermal power, showed 6.2% increase from the same period of the previous fiscal year to 8.3TWh, due mainly to the increase in the load factor of thermal power plants of J-POWER (non-consolidated) from 44% to 47%. The volume of electricity procured from wholesale electricity market, etc. showed 24.5% decrease from the same period of the previous fiscal year to 2.8TWh. Total electricity sales volume of the electric power business decreased 4.5% from the same period of the previous fiscal year to 14.0TWh.

Electricity sales volume in the overseas business decreased 25.5% from the same period of the previous fiscal year to 2.5TWh.

2) Overview of Income and Expenditures

Sales (operating revenues) increased 68.6% from the same period of the previous fiscal year to 323.3 billion yen, mainly due to rising electricity sales price, while the electric power business and the electricity sales volume in the overseas business decreased. Non-operating revenue decreased 1.0% from the same period of the previous fiscal year to 8.6 billion yen, mainly due to the decrease share of profit of entities accounted for using equity method, while the increase foreign exchange gains. Total ordinary revenue including non-operating revenue increased 65.6% from the same period of the previous fiscal year to 331.9 billion yen.

Operating expenses increased 78.5% from the same period of the previous fiscal year to 303.8 billion yen, mainly due to the increase in purchased power from other suppliers and increase in fuel cost for thermal power plants in the electric power business. Non-operating expenses decreased 35.8% from the same period of the previous fiscal year to 6.6 billion yen, mainly due to the decrease in foreign exchange losses. Total ordinary expenses increased 71.9% from the same period of the previous fiscal year to 310.5 billion yen.

As a result, ordinary profit increased 8.1% from the same period of the previous fiscal year to 21.4 billion yen and profit attributable to owners of parent after corporate income tax decreased 7.0% from the same period of the previous fiscal year to 13.0 billion yen, mainly due to increase profit attributable to non-controlling interests.

(2) Qualitative Information on Consolidated Financial Position

Total assets increased 199.0 billion yen from the end of the previous fiscal year to 3.2652 trillion yen. This is mainly due to the increase of other current assets, in addition to the depreciation of the yen.

Total liabilities increased 134.4 billion yen from the end of the previous fiscal year to 2.2364 trillion yen. Of this amount, interest-bearing debt increased 119.5 billion yen from the end of the previous fiscal year to 1.9059 trillion yen, and it included 306.4 billion yen of non-recourse loans in

overseas business.

Total net assets increased 64.6 billion yen to 1.0287 billion yen, mainly due to the increase in foreign currency translation adjustment and deferred gains or losses on hedges, in addition to the accounting of profit attributable to owners of parent.

As a result, shareholders' equity ratio decreased from 29.9% at the end of the previous fiscal year to 29.8%.

(3) Qualitative Information on Consolidated Earnings Forecasts

There is no change in our forecasts announced on May 11, 2022.

2. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

	(Unit: million yen)	
	As of Mar. 31, 2022	As of Jun. 30, 2022
Assets		
Non-current assets	2,594,819	2,651,263
Electric utility plant and equipment	1,076,948	1,074,260
Hydroelectric power production facilities	360,084	366,749
Thermal power production facilities	401,071	395,981
Internal combustion engine power production facilities	1,198	-
Renewable power production facilities	76,556	74,732
Transmission facilities	144,458	143,888
Transformation facilities	30,236	30,209
Communication facilities	6,600	6,327
General facilities	56,742	56,371
Overseas business facilities	271,356	287,111
Other non-current assets	92,297	98,696
Construction in progress	676,596	689,794
Construction in progress	676,596	689,794
Nuclear fuel	75,806	75,845
Nuclear fuel in processing	75,806	75,845
Investments and other assets	401,813	425,555
Long-term investments	323,770	349,857
Retirement benefit asset	241	413
Deferred tax assets	64,277	60,017
Other	13,642	15,369
Allowance for doubtful accounts	(118)	(102)
Current assets	471,357	613,970
Cash and deposits	223,072	217,751
Notes and accounts receivable - trade, and contract assets	80,439	112,154
Inventories	62,173	106,815
Other	105,674	177,282
Allowance for doubtful accounts	(3)	(32)
Total assets	3,066,176	3,265,234

(Unit: million yen)

	As of Mar. 31, 2022	As of Jun. 30, 2022
Liabilities		
Non-current liabilities	1,686,575	1,714,236
Bonds payable	706,484	726,485
Long-term borrowings	839,645	852,558
Lease liabilities	2,239	2,139
Other provision	20	23
Retirement benefit liability	37,976	38,380
Asset retirement obligations	35,240	36,121
Deferred tax liabilities	16,808	19,295
Other	48,158	39,232
Current liabilities	415,496	522,238
Current portion of non-current liabilities	145,467	152,179
Short-term borrowings	8,149	8,152
Commercial papers	90,016	170,007
Notes and accounts payable-trade	44,651	94,224
Accrued taxes	18,276	18,677
Other provision	691	639
Asset retirement obligations	426	541
Other	107,817	77,816
Total liabilities	2,102,071	2,236,475
Net assets		
Shareholders' equity	870,826	876,540
Share capital	180,502	180,502
Capital surplus	119,881	119,881
Retained earnings	570,452	576,166
Treasury shares	(9)	(9)
Accumulated other comprehensive income	45,203	96,959
Valuation difference on available-for-sale securities	14,014	14,029
Deferred gains or losses on hedges	(9,359)	14,611
Foreign currency translation adjustment	32,136	61,272
Remeasurements of defined benefit plans	8,411	7,047
Non-controlling interests	48,075	55,258
Total net assets	964,105	1,028,759
Total liabilities and net assets	3,066,176	3,265,234

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated statement of income

(Unit: million yen)

	Three months ended Jun. 30, 2021	Three months ended Jun. 30, 2022
Operating revenue	191,743	323,319
Electric utility operating revenue	143,784	237,205
Overseas business operating revenue	36,366	58,509
Other business operating revenue	11,592	27,604
Operating expenses	170,198	303,811
Electric utility operating expenses	128,322	231,984
Overseas business operating expenses	29,319	51,102
Other business operating expenses	12,556	20,724
Operating profit	21,544	19,507
Non-operating income	8,754	8,668
Dividend income	641	821
Interest income	191	641
Share of profit of entities accounted for using equity method	5,490	3,414
Foreign exchange gains	-	2,961
Other	2,432	830
Non-operating expenses	10,417	6,688
Interest expenses	5,687	5,711
Foreign exchange losses	4,180	-
Other	549	976
Total ordinary revenue	200,498	331,988
Total ordinary expenses	180,615	310,500
Ordinary profit	19,882	21,487
Profit before income taxes	19,882	21,487
Income taxes-current	2,301	5,203
Income taxes-deferred	2,841	950
Total income taxes	5,143	6,153
Profit	14,739	15,334
Profit attributable to non-controlling interests	718	2,298
Profit attributable to owners of parent	14,020	13,036

Consolidated statement of comprehensive income

	(Unit: million yen)	
	Three months ended Jun. 30, 2021	Three months ended Jun. 30, 2022
Profit	14,739	15,334
Other comprehensive income		
Valuation difference on available-for-sale securities	(35)	14
Deferred gains or losses on hedges	10,573	18,931
Foreign currency translation adjustment	17,916	26,517
Remeasurements of defined benefit plans, net of tax	(1,312)	(1,362)
Share of other comprehensive income of entities accounted for using equity method	10,787	14,475
Total other comprehensive income	37,930	58,576
Comprehensive income	52,669	73,910
(Comprehensive income attributable to abstract)		
Comprehensive income attributable to owners of parent	47,421	64,792
Comprehensive income attributable to non-controlling interests	5,248	9,118

(3) Notes on Premise of Going Concern

Not applicable.

(4) Notes on Significant Changes in Shareholders' Equity

Not applicable.

(5) Application of accounting methods which are exceptional for quarterly consolidated financial statements

(Calculation of tax expenses)

The Group has calculated tax expenses by reasonably estimating an effective tax rate for profit before income taxes for the consolidated fiscal year including the first quarter consolidated accounting period of the current fiscal year after applying tax effect accounting and then multiplying profit before income taxes for the first quarter of the current fiscal year with the estimated effective tax rate, provided that the result of the calculation of tax expenses using the estimated effective tax rate is found significantly unreasonable, the Group calculates tax expenses using the statutory tax rate.

(6) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements

(Changes in Accounting Policies)

(Change in the calculation method for tax expenses)

Previously, the Company calculated tax expenses using the same method as that used for the year-end closing. As the Company has applied the group tax sharing system since the first quarter consolidated accounting period of the current fiscal year, in order to make its quarterly closing process speedy and more efficient, the Company changed the calculation method for tax expenses in the first quarter consolidated accounting period of the current fiscal year to the method of reasonably estimating an effective tax rate for profit before income taxes for the consolidated fiscal year after applying tax effect accounting and then multiplying profit before income taxes for each quarter of the fiscal year under review with the estimated effective tax rate, provided that the result of the calculation of tax expenses using the estimated effective tax rate is found significantly unreasonable, the Company calculates tax expenses using the statutory tax rate.

The effect of this change on the quarterly consolidated financial statements is immaterial, so the change has not been applied retrospectively.

3. Appendixes

[Appendix 1]

Revenues and Expenses (Consolidated)

(Unit: million yen)

	Three months ended Jun. 30, 2021 (A)	Three months ended Jun. 30, 2022 (B)	Year-on-year change	
			(B-A)	(B-A)/A
Operating revenue	191,743	323,319	131,576	68.6%
Electric utility operating revenue	143,784	237,205	93,421	65.0%
Sold power to other suppliers	131,169	223,397	92,227	70.3%
Transmission revenue	11,978	12,248	270	2.3%
Other electricity revenue	636	1,560	923	145.0%
Overseas business operating revenue	36,366	58,509	22,142	60.9%
Other business operating revenue	11,592	27,604	16,012	138.1%
Operating expenses	170,198	303,811	133,613	78.5%
Electric utility operating expenses	128,322	231,984	103,661	80.8%
Personnel expense	6,160	6,596	436	7.1%
Fuel cost	35,120	103,968	68,848	196.0%
Repair expense	9,999	12,052	2,052	20.5%
Consignment cost	10,744	10,440	(303)	(2.8)%
Taxes and duties	6,151	6,496	344	5.6%
Depreciation and amortization cost	18,246	18,698	452	2.5%
Other	41,900	73,731	31,831	76.0%
Overseas business operating expenses	29,319	51,102	21,783	74.3%
Other business operating expenses	12,556	20,724	8,168	65.1%
Operating profit	21,544	19,507	(2,036)	(9.5)%
Non-operating income	8,754	8,668	(86)	(1.0)%
Dividend income	641	821	180	28.2%
Interest income	191	641	449	235.4%
Share of profit of entities accounted for using equity method	5,490	3,414	(2,076)	(37.8)%
Foreign exchange gains	-	2,961	2,961	-
Other	2,432	830	(1,602)	(65.9)%
Non-operating expenses	10,417	6,688	(3,728)	(35.8)%
Interest expenses	5,687	5,711	24	0.4%
Foreign exchange losses	4,180	-	(4,180)	-
Other	549	976	427	77.9%
Total ordinary revenue	200,498	331,988	131,490	65.6%
Total ordinary expenses	180,615	310,500	129,884	71.9%
Ordinary profit	19,882	21,487	1,605	8.1%
Profit before income taxes	19,882	21,487	1,605	8.1%
Income taxes-current	2,301	5,203	2,902	126.1%
Income taxes-deferred	2,841	950	(1,891)	(66.6)%
Profit	14,739	15,334	595	4.0%
Profit attributable to non-controlling interests	718	2,298	1,579	219.8%
Profit attributable to owners of parent	14,020	13,036	(984)	(7.0)%

[Appendix 2]

(1) Generation capacity

(Unit: kW)

	As of Jun. 30, 2021 (A)	As of Jun. 30, 2022 (B)	Year-on-year change (B-A)
Electric power business	17,913,449	17,682,929	(230,520)
Hydroelectric power	8,560,369	8,577,369	17,000
Thermal power	8,773,420	8,561,000	(212,420)
Wind power	579,660	544,560	(35,100)
Overseas business	3,990,000	3,990,800	800
Total	21,903,449	21,673,729	(229,720)

(2) Electricity sales volume

(Unit: GWh)

	Three months ended Jun. 30, 2021 (A)	Three months ended Jun. 30, 2022 (B)	Year-on-year change (B-A)
Electric power business	14,741	14,080	(660)
Hydroelectric power	2,759	2,577	(182)
Thermal power	7,886	8,374	487
Wind power	264	236	(27)
Other	3,830	2,892	(937)
Overseas business	3,403	2,537	(866)
Total	18,144	16,617	(1,526)

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

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

(Unit: %)

	Three months ended Jun. 30, 2021 (A)	Three months ended Jun. 30, 2022 (B)	Year-on-year change (B-A)
Water supply rate	98	91	(7)
Load factor	44	47	3