

*TRANSLATION: This is an English translation of the Japanese original, prepared only for the convenience of shareholders residing outside Japan. Please note that the notes to the financial statements are abbreviated in this translation. The original Japanese version will prevail should there be any difference in the meaning between the English version and the Japanese version. ELECTRIC POWER DEVELOPMENT CO., LTD. does not guarantee the accuracy and/or the completeness of the translation and shall have no liability for any errors or omissions therein. Names of laws of Japan herein are based on those designated in the “Japanese Law Translation Database System,” a website managed by the Ministry of Justice of Japan.*



June 1, 2015

Dear Shareholder:

Masayoshi Kitamura  
President and Representative Director  
Electric Power Development Co., Ltd. (J-POWER)  
15-1, Ginza 6-chome, Chuo-ku, Tokyo  
(Securities code: 9513)

### **Notice of the 63rd Ordinary General Meeting of Shareholders**

You are cordially invited to attend the 63rd Ordinary General Meeting of Shareholders of Electric Power Development Co., Ltd. (“the Company”), which will be held as described hereunder.

If you are unable to attend the meeting, you may exercise your voting rights in writing or by electronic means (the Internet, etc.). Please review the appended “Reference Materials for the General Meeting of Shareholders” and exercise your voting rights no later than 5:30 p.m. on Wednesday, June 24, 2015, Japan time.

#### Notice

**1. Date & Time:** 10:00 a.m., Thursday, June 25, 2015 (Reception desk will open at 9:00 a.m.)

**2. Place:** Ho-Oh-No-Ma, 2nd Floor, Tokyo Prince Hotel  
3-1, Shibakoen 3-chome, Minato-ku, Tokyo

**3. Agenda:**

**Matters to be reported:**

1. Business Report and Consolidated Financial Statements for the 63rd fiscal year (from April 1, 2014 to March 31, 2015), in addition to reports on the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-consolidated Financial Statements for the 63rd fiscal year (from April 1, 2014 to March 31, 2015)

**Matters to be resolved:**

**Proposal 1.** Appropriation of Surplus

**Proposal 2.** Election of Thirteen (13) Directors

**Proposal 3.** Election of Two (2) Audit & Supervisory Board Members

**4. Instructions for Voting:**

**(1) Attending the General Meeting of Shareholders**

If you are intending to attend the General Meeting of Shareholders in person, please present the enclosed Exercise of Voting Rights Form to the reception desk upon your arrival.

**(2) Voting by Proxy**

If you are unable to attend the General Meeting of Shareholders in person, you may still vote by appointing a proxy who is a shareholder of the Company entitled to exercise voting rights (or if the shareholder is a corporation, an employee of the corporation). Please have your proxy submit a written document (a proxy statement, etc.) certifying the authority of proxy to the reception desk.

**(3) Voting in Writing (by mail)**

Please indicate your vote for or against each of the proposals on the enclosed Exercise of Voting Rights Form, and return the form to us.

**(4) Exercise of Voting Rights Electronically**

To exercise your voting rights via the Internet, please refer to the attached “Instructions for Exercising Voting Rights” (abbreviated in this translation).

Shareholders participating in the ICJ’s Electric Voting Platform for institutional investors may vote using that platform.

**(5) Handling of Duplicate Votes**

If you cast multiple voting both by mail and by electronic means, the vote submitted by electronic means shall be deemed valid. If you exercise your voting rights on the same proposal more than once by the same method, the vote submitted last shall be deemed valid.

**5. Method to Inform Shareholders of Changes in the Reference Materials for the General Meeting of Shareholders, etc.:**

Should any amendments to the appended Reference Materials for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, or Consolidated Financial Statements arise under any unavoidable circumstances, we will inform you of such amended matters by posting them on the Company website.

(<http://www.jppower.co.jp/english>)

## REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

### Proposals and Reference Information

#### Proposal 1: Appropriation of Surplus

The most notable feature of the Company's business model is to gain investment returns from the long-term operation of power stations and other infrastructure based on the Company's long-standing operational capability, which includes the construction of power stations and the like.

Taking this business feature into consideration, the Company focuses on the importance of stable dividends and strives to return more profits to shareholders by continuously improving its corporate value and fostering the growth of the Company.

Based on this policy, the Company proposes 35 yen per share for the year-end dividend as follows. As the Company has already paid an interim dividend of 35 yen per share in November last year, the Company proposes an annual dividend of 70 yen per share for the 63rd fiscal year.

#### 1. Items relating to the year-end dividend:

<b>Type of dividend assets</b>	Cash
<b>Distribution of dividends</b>	35 yen per share of common stock of the Company Total amount: 6,406,765,715 yen
<b>Effective date of the distribution</b>	Friday, June 26, 2015

#### 2. Other items relating to the appropriation of surplus:

<b>Increased surplus</b>	General reserve: 10,000,000,000 yen
<b>Decreased surplus</b>	Retained earnings carried forward: 10,000,000,000 yen

## Proposal 2: Election of Thirteen (13) Directors

The term of office for all thirteen (13) Directors expires as of the end of this meeting.

Accordingly, the Company proposes the election of thirteen (13) Directors.

The candidates for Directors are as follows:

Candidate Number	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
1 Reappointment	Yasuo Maeda (January 31, 1951)	<p>April 1974      Joined the Company</p> <p>October 2002    Executive Officer, Department Director of Engineering Dept.</p> <p>June 2004      Executive Director, Executive Officer and Department Director of Engineering Dept.</p> <p>June 2006      Executive Managing Director</p> <p>June 2009      Executive Vice President and Representative Director</p> <p>June 2013      Chairman and Representative Director (current position)</p>	15,980 shares
2 Reappointment	Masayoshi Kitamura (May 11, 1947)	<p>April 1972      Joined the Company</p> <p>June 2000      Department Director of Corporate Planning &amp; Administration Dept.</p> <p>June 2001      Executive Director, Department Director of Corporate Planning &amp; Administration Dept.</p> <p>April 2002      Executive Director</p> <p>June 2004      Executive Managing Director</p> <p>June 2007      Executive Vice President and Representative Director</p> <p>June 2009      President and Representative Director (current position)</p>	28,740 shares
3 Reappointment	Toshifumi Watanabe (March 10, 1955)	<p>April 1977      Joined the Company</p> <p>April 2002      Department Director of Corporate Planning &amp; Administration Dept. and Office Director of Privatization Office, Corporate Planning &amp; Administration Dept.</p> <p>October 2002    Department Director of Corporate Planning &amp; Administration Dept. and Office Director of Privatization Office, Corporate Planning &amp; Administration Dept.</p> <p>June 2004      Department Director of Corporate Planning &amp; Administration Dept.</p> <p>June 2006      Executive Director</p> <p>June 2009      Executive Managing Director</p> <p>June 2012      Executive Director and Executive Managing Officer</p> <p>June 2013      Executive Vice President and Representative Director (current position)</p>	13,900 shares

<b>Candidate Number</b>	<b>Name (Date of Birth)</b>	<b>Brief Personal History, Status of Major Concurrent Positions, and Duties and Responsibilities at the Company</b>	<b>Number of Shares of the Company Held</b>
4 Reappointment	Hitoshi Murayama (February 2, 1954)	<p>April 1980      Joined the Company</p> <p>June 2008      Department Director of Thermal Power Dept.</p> <p>June 2009      Executive Officer, Department Director of Thermal Power Dept.</p> <p>June 2010      Executive Officer, Department Director of Thermal Power Engineering Dept.</p> <p>December 2011 Executive Officer, Department Director of Thermal Power Engineering Dept.</p> <p>June 2012      Executive Director and Executive Managing Officer (current position)</p>	11,600 shares
5 Reappointment	Masato Uchiyama (July 23, 1955)	<p>April 1978      Joined the Company</p> <p>March 2005     Department Director of Energy Business Dept.</p> <p>July 2008      Special Advisor and Department Director of Energy Business Dept.</p> <p>June 2009      Executive Officer, Department Director of Energy Business Dept.</p> <p>December 2011 Executive Managing Officer</p> <p>June 2013      Executive Director and Executive Managing Officer (current position)</p>	8,900 shares
6 Reappointment	Junji Nagashima (September 5, 1952)	<p>April 1978      Joined the Company</p> <p>April 2006      Department Director of Nuclear Power Dept.</p> <p>June 2007      Executive Officer, Department Director of Nuclear Power Dept.</p> <p>May 2008      Executive Officer, Department Director of Nuclear Power Construction Dept.</p> <p>June 2009      Executive Managing Officer, Department Director of Nuclear Power Construction Dept.</p> <p>June 2010      Executive Director</p> <p>June 2012      Executive Director and Executive Managing Officer (current position)</p>	13,300 shares
7 Reappointment	Naori Fukuda (March 25, 1956)	<p>April 1979      Joined the Company</p> <p>June 2008      Department Director of Civil and Electrical Engineering Dept.</p> <p>June 2010      Executive Officer, Department Director of Civil and Electrical Engineering Dept.</p> <p>December 2011 Executive Officer, Department Director of Civil &amp; Architectural Engineering Dept.</p> <p>June 2012      Executive Managing Officer</p> <p>June 2013      Executive Director and Executive Managing Officer (current position)</p>	10,700 shares

<b>Candidate Number</b>	<b>Name (Date of Birth)</b>	<b>Brief Personal History, Status of Major Concurrent Positions, and Duties and Responsibilities at the Company</b>	<b>Number of Shares of the Company Held</b>
8 New Appointment	Shuji Etoh (February 3, 1957)	<p>April 1979      Joined the Company</p> <p>October 2005    Department Director of Accounting &amp; Finance Dept.</p> <p>July 2008        Department Director of International Business Management Dept.</p> <p>June 2009        Executive Officer, Department Director of International Business Management Dept.</p> <p>June 2012        Executive Officer, Department Director of Nuclear Power Management Dept.</p> <p>June 2013        Executive Managing Officer (current position)</p>	8,300 shares
9 New Appointment	Itaru Nakamura (January 10, 1955)	<p>April 1979      Joined the Company</p> <p>July 2007        Department Director of Personnel &amp; Employee Relations Dept.</p> <p>June 2009        Executive Officer, Department Director of Corporate Planning &amp; Administration Dept.</p> <p>December 2011   Executive Officer</p> <p>June 2013        Executive Managing Officer (current position)</p>	7,860 shares
10 New Appointment	Yoshiki Onoi (July 14, 1955)	<p>April 1979      Joined the Company</p> <p>July 2006        Department Director of Business Planning Dept.</p> <p>June 2009        Executive Officer, Department Director of Business Planning Dept.</p> <p>January 2011     Executive Officer</p> <p>June 2013        Executive Managing Officer (current position)</p>	4,200 shares
11 New Appointment	Akihito Urashima (July 18, 1955)	<p>April 1980      Joined the Company</p> <p>December 2009   Office Director of Ohma Nuclear Power Station Construction Office, Ohma General Management Dept.</p> <p>June 2010        Executive Officer, Office Director of Ohma Nuclear Power Station Construction Office, Ohma General Management Dept.</p> <p>June 2014        Executive Managing Officer (current position)</p>	9,500 shares

Candidate Number	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
12 Reappointment Outside Director Independent Director	Go Kajitani (November 22, 1936)	<p>April 1967 Registered as an attorney at law (Dai-ichi Tokyo Bar Association) Joined KAJITANI LAW OFFICES</p> <p>April 1998 President of Dai-ichi Tokyo Bar Association, Vice President of Japan Federation of Bar Associations</p> <p>April 1999 Senior Partner of KAJITANI LAW OFFICES</p> <p>June 2003 Outside Audit &amp; Supervisory Board Member of NICHIAS Corporation</p> <p>April 2004 President of Japan Federation of Bar Associations</p> <p>June 2007 Chairman of the Central Third-Party Committee to Check Pension Records, the Ministry of Internal Affairs and Communications</p> <p>June 2009 Non-Executive Director (Outside Director) of the Company (current position)</p> <p>April 2011 President of Japan Legal Support Center</p> <p>June 2011 Outside Audit &amp; Supervisory Board Member of The Yokohama Rubber Company, Limited</p> <p>&lt;Major Concurrent Positions&gt; • Attorney at law (KAJITANI LAW OFFICES)</p>	0 shares
13 Reappointment Outside Director Independent Director	Mariko Fujii (March 9, 1955)	<p>April 1977 Joined the Ministry of Finance</p> <p>July 1997 Director of the International Research Division, Customs and Tariff Bureau, the Ministry of Finance</p> <p>April 1999 Associate Professor of Research Center for Advanced Science and Technology, the University of Tokyo</p> <p>March 2001 Professor of Research Center for Advanced Economic Engineering, the University of Tokyo</p> <p>April 2004 Professor of Research Center for Advanced Science and Technology, the University of Tokyo (National University Corporation) (current position)</p> <p>June 2014 Non-Executive Director (Outside Director) of the Company (current position)</p> <p>&lt;Major Concurrent Positions&gt; • Professor of Research Center for Advanced Science and Technology, the University of Tokyo (National University Corporation)</p>	0 shares

Notes:

- There is no conflict of interest between any of the Director candidates and the Company.
- Of the Director candidates, Messrs. Yasuo Maeda, Masayoshi Kitamura, Toshifumi Watanabe, Hitoshi Murayama, Masato Uchiyama, Junji Nagashima, Naori Fukuda, Go Kajitani, and Ms. Mariko Fujii are currently Directors of the Company, and their duties and responsibilities are as described in Attachments on pages 26 to 28.
- Mr. Go Kajitani is an Outside Director candidate. The Company has appointed him as an independent director/auditor specified by the Tokyo Stock Exchange.
  - With his distinguished knowledge as an attorney at law and abundant experience in the legal profession, the Company endorses his election as an Outside Director. Although he has no experience in the management of a company other than as an Outside Director/Outside Audit & Supervisory Board Member, for the aforementioned reasons, the Company judged that he would be able to appropriately execute the duties of Outside Director.

- (2) He currently serves as an Outside Director of the Company, and his term of office will be six years as of the end of this General Meeting of Shareholders.
  - (3) The Company has entered into a contract with him that limits his liability for damages arising from failure to perform duties in accordance with Article 427, Paragraph 1 of the Companies Act. The limit under that contract will be the amount prescribed by the applicable laws and regulations. If he is elected, it is planned to continue the limited liability contract.
4. Ms. Mariko Fujii is an Outside Director candidate. The Company has appointed her as an independent director/auditor specified by the Tokyo Stock Exchange.
- (1) With her distinguished knowledge and abundant experience she acquired through working in the administration and researches about financial economics and public policy, the Company endorses her election as an Outside Director. Although she has no experience in the management of a company other than as an Outside Director, for the aforementioned reasons, the Company judged that she would be able to appropriately execute the duties of Outside Director.
  - (2) She currently serves as an Outside Director of the Company, and her term of office will be one year as of the end of this General Meeting of Shareholders.
  - (3) The Company has entered into a contract with her that limits her liability for damages arising from failure to perform duties in accordance with Article 427, Paragraph 1 of the Companies Act. The limit under that contract will be the amount prescribed by the applicable laws and regulations. If she is elected, it is planned to continue the limited liability contract.



### Proposal 3: Election of Two (2) Audit & Supervisory Board Members

The term of office for Messrs. Mutsutake Otsuka and Kiyoshi Nakanishi, who serve as Outside Audit & Supervisory Board Members, expires as of the end of this meeting.

Accordingly, the Company proposes the election of two (2) Audit & Supervisory Board Members.

The Audit & Supervisory Board has approved this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

Candidate Number	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties at the Company	Number of Shares of the Company Held
1 Reappointment Outside Audit & Supervisory Board Member Independent Auditor	Mutsutake Otsuka (January 5, 1943)	<p>April 1965      Joined Japanese National Railways</p> <p>April 1987      Joined East Japan Railway Company, General Manager of Finance Department</p> <p>June 1990      Director and General Manager of Personnel Department of East Japan Railway Company</p> <p>June 1992      Executive Director and General Manager of Personnel Department of East Japan Railway Company</p> <p>June 1997      Executive Vice President and Representative Director and Director General of Corporate Planning Headquarters of East Japan Railway Company</p> <p>June 2000      President and Representative Director of East Japan Railway Company</p> <p>April 2006      Chairman and Director of East Japan Railway Company</p> <p>June 2007      Audit &amp; Supervisory Board Member (Outside Audit &amp; Supervisory Board Member) of the Company (current position)</p> <p>May 2011      Vice Chairman of Nippon Keidanren (current position)</p> <p>April 2012      Advisor of East Japan Railway Company (current position)</p> <p>June 2013      Outside Director of JX Holdings, Inc. (current position)</p> <p>June 2014      Outside Director of NIPPON STEEL &amp; SUMITOMO METAL CORPORATION (current position)</p> <p>&lt;Major Concurrent Positions&gt;</p> <ul style="list-style-type: none"> <li>• Advisor of East Japan Railway Company</li> <li>• Vice Chairman of Nippon Keidanren</li> <li>• Outside Director of JX Holdings, Inc.</li> <li>• Outside Director of NIPPON STEEL &amp; SUMITOMO METAL CORPORATION</li> </ul>	0 shares

Candidate Number	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties at the Company	Number of Shares of the Company Held
2 Reappointment Outside Audit & Supervisory Board Member Independent Auditor	Kiyoshi Nakanishi (April 2, 1945)	<p>April 1970      Joined Toyota Motor Co., Ltd.</p> <p>January 1997    General Manager of No.3 Engine Technical Department of No.4 Development Center of TOYOTA MOTOR CORPORATION</p> <p>June 2000      Director of TOYOTA MOTOR CORPORATION</p> <p>June 2003      Managing Officer of TOYOTA MOTOR CORPORATION</p> <p>June 2004      Adviser of TOYOTA MOTOR CORPORATION</p> <p>June 2004      Representative Director of GENESIS RESEARCH INSTITUTE, INC.</p> <p>June 2010      Adviser of GENESIS RESEARCH INSTITUTE, INC. (current position)</p> <p>June 2010      Adviser of Toyota Central R&amp;D Labs., Inc.</p> <p>June 2010      Audit &amp; Supervisory Board Member of TOYOTA TECHNOCRAFT Co., LTD. (current position)</p> <p>June 2011      Audit &amp; Supervisory Board Member (Outside Audit &amp; Supervisory Board Member) of the Company (current position)</p> <p>&lt;Major Concurrent Positions&gt;</p> <ul style="list-style-type: none"> <li>• Adviser of GENESIS RESEARCH INSTITUTE, INC.</li> <li>• Audit &amp; Supervisory Board Member of TOYOTA TECHNOCRAFT Co., LTD.</li> </ul>	0 shares

Notes:

1. There is no conflict of interest between any of the Audit & Supervisory Board Member candidates and the Company.
2. Mr. Mutsutake Otsuka is an Outside Audit & Supervisory Board Member candidate. The Company has appointed him as an independent director/auditor specified by the Tokyo Stock Exchange.
  - (1) With his distinguished knowledge and experience as a director of a listed company, the Company expects him to contribute to observe the Company's management intensively and endorses his election as an Outside Audit & Supervisory Board Member.
  - (2) He plans to retire as Vice Chairman of Nippon Keidanren on June 2, 2015.
  - (3) He currently serves as an Outside Audit & Supervisory Board Member of the Company, and his term of office will be eight years as of the end of this General Meeting of Shareholders.
  - (4) The Company has entered into a contract with him that limits his liability for damages arising from failure to perform duties in accordance with Article 427, Paragraph 1 of the Companies Act. The limit under that contract will be the amount prescribed by the applicable laws and regulations. If he is elected, it is planned to continue the limited liability contract.
3. Mr. Kiyoshi Nakanishi is an Outside Audit & Supervisory Board Member candidate. The Company has appointed him as an independent director/auditor specified by the Tokyo Stock Exchange.
  - (1) With his distinguished knowledge and experience as a director of a listed company, the Company expects him to contribute to observe the Company's management intensively and endorses his election as an Outside Audit & Supervisory Board Member.
  - (2) He currently serves as an Outside Audit & Supervisory Board Member of the Company, and his term of office will be four years as of the end of this General Meeting of Shareholders.
  - (3) The Company has entered into a contract with him that limits his liability for damages arising from failure to perform duties in accordance with Article 427, Paragraph 1 of the Companies Act. The limit under that contract will be the amount prescribed by the applicable laws and regulations. If he is elected, it is planned to continue the limited liability contract.

(Attachments)

**BUSINESS REPORT** (from April 1, 2014 to March 31, 2015)

**I Items Regarding Status of Group Operations**

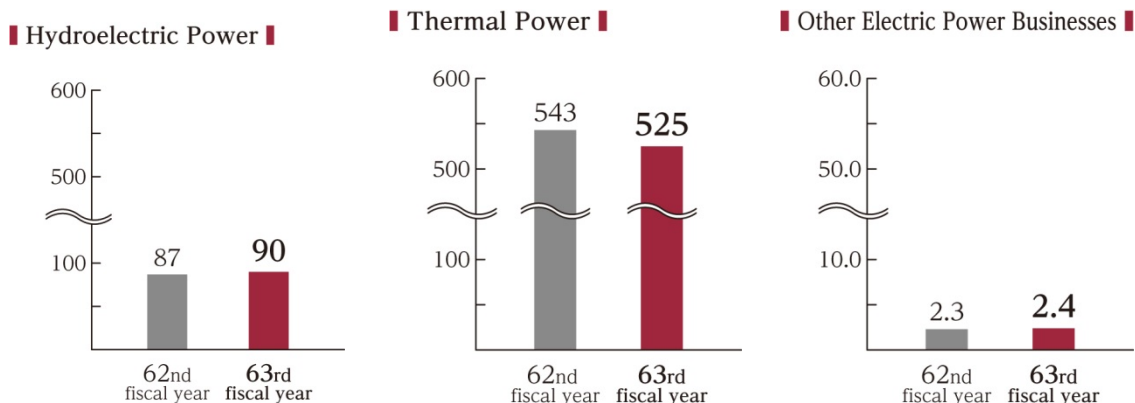
**1. Overview of Operations**

In the current fiscal year ended March 31, 2015, the Japanese economy continued on a moderate track of recovery owing to improvements in the employment and income environment, despite trends of weakness such as a recoil in demand following the rush in demand ahead of the consumption tax hike.

Electricity demand in the current fiscal year was lower year on year. This was because temperatures from July through September were generally low compared with the previous fiscal year, which led to a decline in demand for cooling, and temperatures from January through March were generally higher compared with the previous fiscal year, which led to a decline in demand for heating.

In the wholesale electric power business, electricity sales volumes from hydroelectric power plants for the current fiscal year showed 3.1% increase to 9.0 TWh although the water supply rate decreased from 99% in the previous fiscal year to 98%. This was mainly due to the use of the dam reservoir water for power generation. In thermal power, a decrease in the load factor of thermal power plants from 79% to 76% resulted in 3.2% decrease in electricity sales volume from the previous fiscal year to 52.5 TWh. As a result, electricity sales volume from both hydroelectric and thermal power plants in the wholesale electric power business decreased 2.3% from the previous fiscal year to 61.6 TWh. Electricity sales volume in the other electric power businesses increased 4.2% from the previous fiscal year to 2.4 TWh, due mainly to the inclusion of Mihama Seaside Power through the term, which became a consolidated subsidiary in September 2013. As a result, electricity sales volume in the electric power business as a whole decreased 2.1% from the previous fiscal year to 64.0 TWh.

**Electricity Sales Volumes (TWh)**



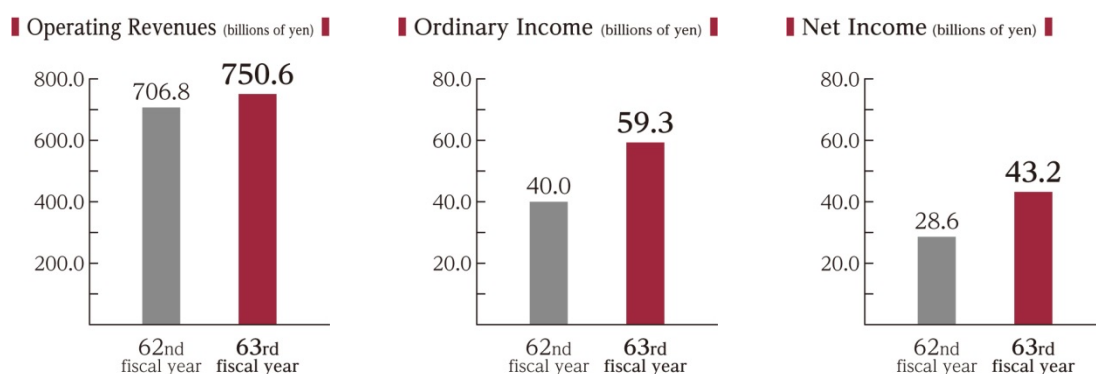
Also, electricity sales volume in the overseas business increased 136.7% from the previous fiscal year to 8.6 TWh. This was due to the commencement of commercial operation of Nong Saeng Power Project (unit No. 1 in June 2014, unit No. 2 in December 2014) and the operation of 7 Small Power Producers (SPP\*), which sequentially commenced commercial operation in January 2013, throughout the term in Thailand.

Although the load factor of the thermal power plants in the wholesale electric power business decreased from the previous fiscal year, the fuel prices declined and the operation of the No. 2 unit of the Matsuura Thermal Power Station was suspended due to a low pressure turbine accident, sales (operating revenue) increased 6.2% from the previous fiscal year to 750.6 billion yen. This was mainly due to the commencement of commercial operation of Nong Saeng and the operation of the 7 SPPs throughout the term. Furthermore, total ordinary revenue including non-operating income increased 6.1% from the previous fiscal year to 773.3 billion yen.

Although fuel costs in the wholesale electric power business decreased due to lower fuel prices and load factors of thermal power plants, operating expenses increased 4.6% from the previous fiscal year to 677.7 billion yen. This was mainly due to the increase of fuel costs at Nong Saeng and 7 SPPs. In addition, total ordinary expenses including non-operating expenses increased 3.6% from the previous fiscal year to 713.9 billion yen.

As a result, ordinary income increased 48.1% from the previous fiscal year to 59.3 billion yen and net income after corporate tax increased 50.6% from the previous fiscal year to 43.2 billion yen.

\*SPP program: The long-term power purchase scheme established by the Thai Government. This scheme promotes cogeneration systems, renewable energy and similar methods, and aims to reduce the import and use of fuel oil. The Electricity Generating Authority of Thailand (EGAT) guarantees the purchase of electricity generated from eligible suppliers up to 90 MW capacity.



## **2. Current Challenges**

The business environment surrounding the J-POWER Group includes many challenges to overcome, including increased competition due to the Electricity System Reform, the lack of transparency in policy trends for nuclear power, and CO<sub>2</sub> emission regulations and other global environmental issues.

Under these circumstances, the Group will respond to the changing business environment and continue to contribute to the stable supply of electricity by steadily progressing with “business platform enhancement” that places securing facility reliability and enhanced technological strength at its core. With an eye on how the government is considering its energy and environmental policies, namely the optimal energy mix and anti-global warming measures, we will progress with our engagement in “growth through new developments”.

To steadily move forward in our engagement above, J-POWER has issued new shares and disposed treasury shares through public offering in March 2015. The Group will use these procured funds in capital expenditures for new developments in the future and maintain its financial integrity in order to enhance its enterprise value.

### **(1) Initiatives to Enhance Operational Platforms**

#### **(a) Securing Facility Reliability**

For the thermal, hydroelectric, transmission and transformation facilities, the J-POWER Group will continue to make efforts in stable operation of such facilities by dealing with aging facilities and enhancing facility maintenance to manage ongoing high load factors and enhance competitive strength.

The No.2 unit at the Matsuura Thermal Power Station (Matsuura-shi, Nagasaki Prefecture; 1,000 MW), which experienced an incident where a low-pressure turbine rotor fell during a periodic inspection had been operating at a partial load (425 MW) since August 2014 after temporary restoration measures. Work has commenced in March 2015 towards total restoration of the plant with full-scale restoration aimed at mid-June 2015. With safety as the top priority, the Group is exerting full efforts steadily towards a full restoration by the heavy load factor period in summer while implementing accident recurrence prevention measures to thoroughly ensure the stable operation of the facility.

#### **(b) Business Operation that Meets Our Corporate Social Responsibility**

The J-POWER Group will continue to reflexively establish corporate governance to changing management climates while engaging in initiatives to disseminate and establish group-wide compliance awareness to earn and maintain further trust from the society. Also, through solid measures to ensure safety and crisis management as well as enhanced abilities to respond to disasters, we will support the stable supply of electric power while contributing to a sustainable society through the promotion of environmental management and cohabitation with the community and society.

#### **(c) Enhancement of Human Resources, Organizational Strength and a Competitive Edge**

The J-POWER Group will continue to develop the main trunk of its business including technological strength, by enhancing the capabilities of each and every employee in its human resource development. The Group will also engage in building a vigorous organization that can flexibly respond to changes in business environments such as the legal separation of the transmission and distribution divisions due to electric power system reforms. Furthermore, the Group will engage in a group-wide synergistic effort to hone its competitive edge through developing new capacities as well as maintaining and enhancing reliability of existing facilities and cost reduction measures.

#### **(d) Maintenance of Financial Integrity**

While continuing with business investments that spur on new growth, in awareness of the need to maintain financial integrity, J-POWER considers reinforcement of shareholders' equity an important management issue. Based on such circumstance, the Company has issued new shares and disposed treasury shares through public offering in March 2015. Procured funds from this round will be channeled into capital expenditures for new developments in domestic coal-fired thermal, renewable energies (wind and geothermal) and overseas businesses that expand our business platform while pursuing engagements that hone our competitive edge and improve investment efficiency to secure stable business revenues and maintain financial integrity to maintain and reinforce fund procurement capacities.

#### **(2) Initiatives for Growth Based on New Development**

##### **(a) Steady Development in Upgrade, Adding on and New Construction of Domestic Coal-fired Thermal Power and Technological Development**

The J-POWER Group is responding to the demand from society to provide a stable supply of electricity in the mid- to long-term by improving efficiency by replacing aging thermal power plants and developing baseload power sources that utilize coal-fired thermal power. To this end, we will develop coal-fired thermal power plants meeting the world's highest efficiency levels with making steady progress in projects listed below. Furthermore we will continue to maximize on business opportunities to replace or construct new facilities to follow these projects.

- Takehara Thermal Power Plant New Unit No.1 replacement project (Takehara-shi, Hiroshima Prefecture; 600 MW; Planned commencement of operation in 2020)
- Takasago Thermal Power Plant New Unit No.1 and No.2 replacement project (Takasago-shi, Hyogo Prefecture; 600 MW for each unit; Planned commencement of operation in 2021 (New Unit No.1), on and after 2027 (New Unit No.2))
- Kashima Power project (Kashima-shi, Ibaraki Prefecture; 650 MW-class; Planned commencement of operation in 2020) through joint investment with NIPPON STEEL & SUMITOMO METALS CORPORATION
- Yamaguchi Ube Power project (Ube-shi, Yamaguchi Prefecture; 2 units x 600 MW) through joint investment with Osaka Gas Co., Ltd. and Ube Industries, Ltd.

Further, we are engaged in initiatives to develop technologies that bring forth low-carbon and highly efficient power, such as Integrated coal Gasification Combined Cycle (IGCC) power generation and CO<sub>2</sub> Capture and Storage (CCS). As part of this technological development, the Group has established the Osaki CoolGen Corporation (Osakikamijima-cho, Toyota-gun, Hiroshima Prefecture) jointly with The Chugoku Electric Power Co.,Inc. We are currently constructing a demonstration facility (166 MW) with the aim of commencing demonstration testing for oxygen-blown IGCC technologies in FY2016.

##### **(b) Steady Progress of Ohma Nuclear Power Construction**

The J-POWER Group is currently constructing the Ohma Nuclear Power Station (output 1,383 MW; commencement of operation is to be determined) that will use uranium plutonium mixed oxide (MOX) fuel in Ohma-machi, Shimokita-gun, Aomori Prefecture.

In establishing base load power sources that support the stable supply of energy and responding to the societal demand for global warming measures, the Group will progress this project, which is crucial in the nuclear fuel cycle, with safety as its primary

precondition and continue to garner the understanding from the local community.

On December 16, 2014, we submitted an application for permission for alteration of reactor installment license and an application for construction plan approval to the Nuclear Regulatory Authority (NRA) based on the Initiative to Conform to the New Safety Standards Concerning Nuclear Power Plants set forth by NRA. Moving forward, the Group will seriously and appropriately respond to the NRA's conformity examinations and steadily implement necessary safety measures or other measures required in a full-scale effort to build a safe power station and aim for early operation commencement.

### **(c) Increased Engagement with Renewable Energies**

The J-POWER Group will continue to develop renewable energies to respond to the societal demand for a low carbon society.

For wind power, the Group has 20 wind farms in operation in Japan, with our owned capacity at approximately 390 MW as of March 31, 2015. In addition, construction is underway or being prepared for other projects including the Ohma wind power project (Ohma-machi, Shimokita-gun, Aomori Prefecture; 19.5 MW; Planned commencement of operation in 2016). We are continuing to search for favorable wind sites and steadily advancing new developments while increasing profitability through capacity utilization rates improvement and efficient maintenance and operation. Furthermore, we will also promote a demonstration test of the offshore wind power generation aiming to establish necessary technology for practical application.

For geothermal power, we are promoting the Wasabizawa Geothermal Project (Yuzawa-shi, Akita Prefecture; 42 MW; Planned commencement of operation in 2019) through joint investment with Mitsubishi Materials Corporation and Mitsubishi Gas Chemicals Company, Inc. while engaging in further initiatives to develop new projects. In the mid- to small-scale hydropower business, we are progressing with construction work for the Konokidani Power Plant (Ono-shi, Fukui Prefecture; 199 kW; Planned commencement of operation in 2016).

In addition to the above initiatives, we are engaged in the steady introduction of biomass co-combustion at coal-fired power plants by expanding the biomass fuel generation business using sewage sludge, etc.

### **(d) Steady Development in the Overseas Business**

At present The J-POWER Group has 36 projects in operation in seven countries and regions and our owned capacity stands at about 6.1 GW as of March 31, 2015.

In Thailand we are currently engaged in the development of the U-Thai IPP project (1,600 MW; Planned commencement of operation in 2015). In addition, Central Java coal thermal IPP project (2,000 MW) is in the process of preparing for development in Indonesia. This project is being delayed from its original schedule to commence construction in October 2012 due to delay of obtaining necessary land for the project. We will continue to cooperate with our project partners to actualize early commencement of construction. The deadline for finance close on the long-term electricity sales agreement was set as October 2013, and was extended to October 2014, but in consideration of the above progress status, it has been further extended to October 2015.

When all of these power plants commence operation, the owned capacity is projected to be roughly 8 GW. The Group is committed to pursuing these projects under construction and preparation to enhance revenues in the overseas electricity generation business including the existing projects and will continue to cultivate new projects in Asia and beyond.

### 3. Capital Investment

(1) Total Capital Investment: 146,894 million yen

#### (2) Major Facilities Completed

Segment	Facility Type	Facility Name	Capacity
Overseas Business	Power Generation (Thermal Power)	Nong Saeng Power Project Unit No.1/No.2 Power Plants (Thailand)	1,600 MW (2 units x 800MW)

#### (3) Major Facilities under Construction

Segment	Facility Type	Facility Name	Capacity
Electric Power Business	Power Generation (Nuclear Power)	Ohma Nuclear Power Station	1,383 MW
Electric Power Business	Power Transmission	Ohma Main-Transmission Line	500 kV, 61 km in length
Overseas Business	Power generation (Thermal Power)	U-Thai Power Project Unit No.1/No.2 Power Plants (Thailand)	1,600 MW (2 units x 800MW)

### 4. Financing Activities

The following corporate bond issuance and long-term loans have been made in order to fund capital investment and pay down interest-bearing debt.

Category	Amount	Remarks
Bonds	40,000 million yen	Domestic straight bonds
Long-term Loans	189,320 million yen	
Total	229,320 million yen	

In addition, total funds of 119,374 million yen were procured by issuing new shares through public offering and disposal of treasury stock through public offering with the payment date of March 10, 2015, as well as issuing new shares through third-party allotment accompanying sales of the Company's shares by overallotment with the payment date of March 24, 2015.



## 5. Trend in Assets and Profit/Loss

### (1) Trend in Assets and Profit/Loss (Consolidated)

Category	60th fiscal year (FY2011)	61st fiscal year (FY2012)	62nd fiscal year (FY2013)	63rd fiscal year (FY2014)
Operating revenues (millions of yen)	654,600	656,056	706,835	750,627
Ordinary income (millions of yen)	36,619	44,825	40,077	59,350
Net income (millions of yen)	16,113	29,808	28,694	43,206
Earnings per share (yen)	107.39	198.65	191.23	284.43
Total assets (millions of yen)	2,016,394	2,169,909	2,385,216	2,659,149
Net assets (millions of yen)	406,192	453,885	519,477	696,298

### (2) Trend in Assets and Profit/Loss (Non-consolidated)

Category	60th fiscal year (FY2011)	61st fiscal year (FY2012)	62nd fiscal year (FY2013)	63rd fiscal year (FY2014)
Operating revenues (millions of yen)	599,973	586,993	582,861	557,943
Ordinary income (millions of yen)	25,677	28,839	31,060	28,938
Net income (millions of yen)	9,169	18,594	22,117	22,442
Earnings per share (yen)	61.11	123.92	147.40	147.74
Total assets (millions of yen)	1,844,261	1,870,291	1,926,731	2,058,609
Net assets (millions of yen)	346,039	358,950	374,689	512,276

## 6. Major Areas of Operation (as of March 31, 2015)

### (1) Business Segment

The business of the J-POWER Group is comprised of four business segments. The “electric power business,” which consists of wholesale electric power business operated by the Company as a core, as well as other electric power businesses operated by its subsidiaries and affiliates, such as the wind power business, the wholesale electricity supply business provided by IPPs (independent power producers) for general electric utilities, and the wholesale electricity supply business for PPSs (Power Producers and Suppliers) etc. The other segments are the “electric power-related businesses,” which complement the electric power business and contribute to its smooth and efficient operation, the “overseas business,” which consists of power generation business and related businesses in overseas countries, and “other businesses,” which utilize the Group’s management resources and expertise, for example, the coal sales business.

A brief overview of the business results of each business segment is provided below.

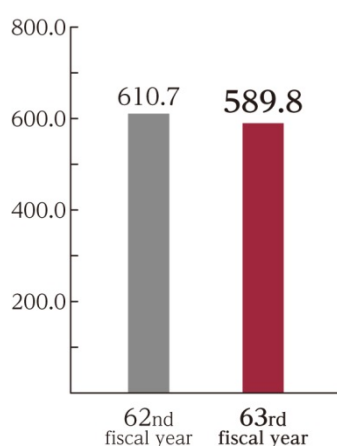
### (2) A Brief Overview of the Business Results of Each Business Segment

Electric Power Business	Wholesale electric power business; other electric power businesses
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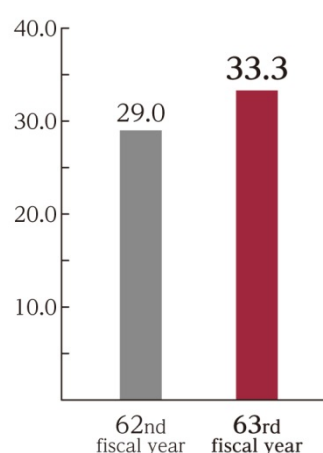
Although revenues in the other electric power businesses increased due mainly to the inclusion of Mihama Seaside Power through the term, sales (electric utility operating revenue) decreased 3.4% from the previous fiscal year to 589.8 billion yen. This was mainly because the load factor of the thermal power plants in the wholesale electric power business decreased from the previous fiscal year and the fuel prices declined and the operation of the No. 2 unit of the Matsuura Thermal Power Plant was suspended due to a low pressure turbine accident.

Segment income increased 14.8% from the previous fiscal year to 33.3 billion yen due mainly to decrease of fuel costs due to lower fuel prices and load factors of thermal power plants and decrease of depreciation and amortization costs.

■ Operating revenues (billions of yen) ■



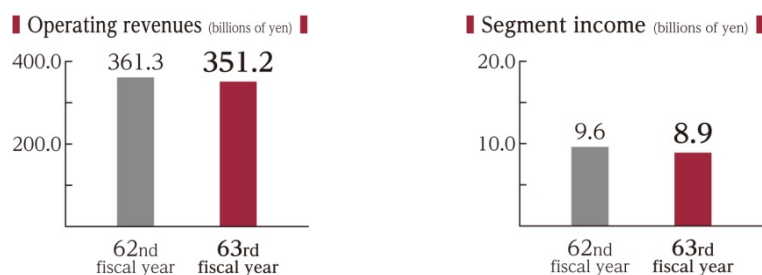
■ Segment income (billions of yen) ■



Electric Power-Related Businesses	Design, installation, inspection, and repair of power generation equipment for power stations; operation of port facilities for fuel and coal ash; coal mine development; coal importing and transport; biomass fuel procurement and production; management of welfare facilities; and computer services, etc.
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Sales (other business operating revenue) decreased 2.8% from the previous fiscal year to 351.2 billion yen due mainly to decrease in revenues from coal sales businesses operated by a consolidated subsidiary.

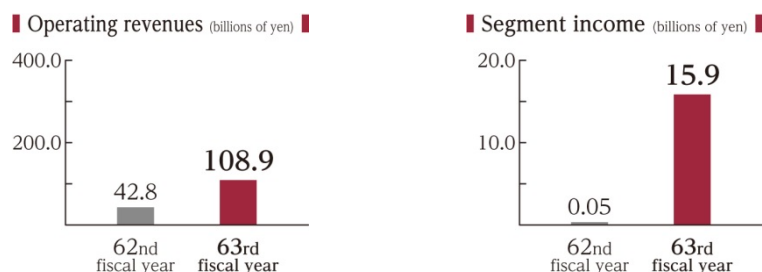
Segment income decreased 6.8% from the previous fiscal year to 8.9 billion yen due mainly to decrease in sales.



Overseas Business	Investment in overseas power generation and its related businesses; overseas engineering consulting business, etc.
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Sales (overseas business operating revenue) increased 154.3% from the previous fiscal year to 108.9 billion yen due mainly to the commencement of commercial operation of Nong Saeng Power Project and the operation of the 7 SPPs throughout the term.

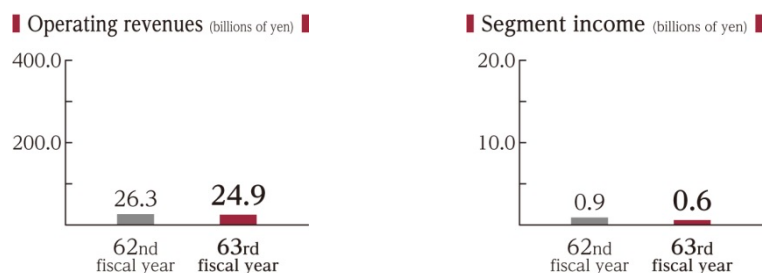
Segment income increased 15.9 billion yen from the previous fiscal year to 15.9 billion yen due mainly to the commencement of commercial operation of Nong Saeng, the operation of the 7 SPPs throughout the term and the impact of foreign exchange.



Other Businesses	Waste-fueled power generation; cogeneration system business; environment-related businesses; IT communications; domestic engineering consulting business; and coal sales business, etc.
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Sales (other business operating revenue) decreased 5.3% from the previous fiscal year to 24.9 billion yen.

Segment income decreased 36.1% from the previous fiscal year to 0.6 billion yen.



## 7. Major Subsidiaries (as of March 31, 2015)

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Major Areas of Operation
<b>Electric Power Business</b>				
Bay Side Energy Co., Ltd.	Chuo-ku, Tokyo	2,400	100	Electric power supplier
Mihama Seaside Power Co., Ltd.	Chiba-shi, Chiba Pref.	914	100	Electric power supplier
J-Wind Co., Ltd.	Chuo-ku, Tokyo	100	100	Wind power business
Japan Clean Energy Development Co., Ltd.	Chuo-ku, Tokyo	95	100	Wind power business
Yurihonjo Wind Power Co., Ltd.	Chuo-ku, Tokyo	9	100	Wind power business
J-Wind OOMA Co., Ltd.	Chuo-ku, Tokyo	5	100	Wind power business
Minami Kyushu Wind Power Co., Ltd.	Minami Osumi-cho, Kimotsuki-gun, Kagoshima Pref.	320	99	Wind power business
J-Wind SETANA Co., Ltd.	Chuo-ku, Tokyo	5	90	Wind power business
ITOIGAWA POWER Inc.	Itoigawa-shi, Niigata Pref.	1,006	80	Electric power supplier
Nagasaki-Shikamachi Wind Power Co., Ltd.	Sasebo-shi, Nagasaki Pref.	490	70	Wind power business
Nikaho-kogen Wind Power Co., Ltd.	Nikaho-shi, Akita Pref.	100	67	Wind power business
<b>Electric Power-Related Businesses</b>				
J-POWER AUSTRALIA PTY. LTD.	Australia	548 (million AUD)	100	Investment in coal mine development projects in Australia
JPec Co., Ltd.	Chuo-ku, Tokyo	500	100	Construction, engineering, design, consulting, and maintenance inspections for thermal and nuclear power stations; shipping of coal for thermal power stations; sales of fly ash, and marine transport of coal fuel for electricity generation; environmental protection studies and planning
JPHYTEC Co., Ltd.	Chiyoda-ku, Tokyo	500	100	Construction, engineering, design, consulting, and maintenance inspections for hydroelectric power stations and transmission & transformation facilities; real estate indemnity; land surveying; civil engineering work; general architecture; construction supervision
JP Business Service Corporation	Koto-ku, Tokyo	450	100	Management of welfare facilities; building maintenance; administrative, labor, and accounting services; computer software development

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Major Areas of Operation
J-POWER RESOURCES Co., Ltd.	Chuo-ku, Tokyo	450	100	Imports, sales and transportation of Coal
J-POWER EnTech Inc.	Minato-ku, Tokyo	177	100	Engineering of equipment for removal of atmospheric and water pollutants
KEC Corporation	Bunkyo-ku, Tokyo	110	100	Installation and maintenance of applied electronic and communications equipment
JPOWER GENEX CAPITAL Co., Ltd.	Chuo-ku, Tokyo	100	100	Management of IPP joint venture projects
J-Wind Service Co., Ltd.	Chuo-ku, Tokyo	50	100	Maintenance and operation of wind power facilities
JP Design Co., Ltd.	Chiyoda-ku, Tokyo	20	100	Design, supervision, research and consultant services for electric power facilities and other general facilities
Miyazaki Wood Pellet Co., Ltd.	Kobayashi-shi, Miyazaki Pref.	300	98	Management and maintenance of woody pellet production facilities; procurement of forest waste
JM Activated Coke, Inc.	Kitakyushu-shi, Fukuoka Pref.	490	90	Production and sales of activated coke
EPDC CoalTech and Marine Co., Ltd.	Chuo-ku, Tokyo	20	100 (100)	Marine transport of coal ash and fly ash
<b>Overseas Business</b>				
J-Power Investment Netherlands B.V.	The Netherlands	60 (million USD)	100	Management of overseas investments
J-POWER Consulting (China) Co., Ltd.	The People's Republic of China	6 (million RMB)	100	Management research and development of overseas investments
J-POWER North America Holdings Co., Ltd.	U.S.A.	1 (USD)	100	Management of overseas investments
J-POWER Holdings (Thailand) Co., Ltd.	Thailand	25,756 (million bahts)	100 (100)	Management of overseas investments
J-POWER Generation (Thailand) Co., Ltd.	Thailand	39 (million bahts)	100 (100)	Management research and development of overseas investments
J-POWER USA Investment Co., Ltd.	U.S.A.	32 (USD)	100 (100)	Management of overseas investments
J-POWER USA Development Co., Ltd.	U.S.A.	1 (USD)	100 (100)	Management, research and development of overseas investments
Gulf JP Co., Ltd.	Thailand	27,991 (million bahts)	90 (90)	Management of overseas investments
Gulf JP NS Co., Ltd.	Thailand	11,104 (million bahts)	90 (90)	Overseas power generation business

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Major Areas of Operation
Gulf JP NNK Co., Ltd.	Thailand	1,490 (million bahts)	90 (90)	Overseas power generation business
Gulf JP CRN Co., Ltd.	Thailand	1,440 (million bahts)	90 (90)	Overseas power generation business
Gulf JP NK2 Co., Ltd.	Thailand	1,370 (million bahts)	90 (90)	Overseas power generation business
Gulf JP TLC Co., Ltd.	Thailand	1,365 (million bahts)	90 (90)	Overseas power generation business
Gulf JP KP1 Co., Ltd.	Thailand	1,360 (million bahts)	90 (90)	Overseas power generation business
Gulf JP KP2 Co., Ltd.	Thailand	1,275 (million bahts)	90 (90)	Overseas power generation business
Gulf JP NLL Co., Ltd.	Thailand	1,384 (million bahts)	67 (67)	Overseas power generation business
<b>Other Businesses</b>				
KAIHATSU HIRYOU Co., Ltd.	Takehara-shi, Hiroshima Pref.	450	100	Production and sales of coal ash-based fertilizer
Japan Network Engineering Co., Ltd.	Chuo-ku, Tokyo	50	100	Telecommunications; operation and maintenance of telecommunications facilities
Omuta Plant Service Co., Ltd.	Omuta-shi, Fukuoka Pref.	50	100	Operation and maintenance of waste-fueled power stations
Biocoal Osaka-Hirano Co., Ltd.	Osaka-shi, Osaka Pref.	50	60	Construction and operation of facilities processing sewage sludge into carbonized fuel
Greencoal Saikai Co., Ltd.	Saikai-shi, Nagasaki Pref.	20	60	Operation of facilities processing non-industrial waste into carbonized fuel

Notes: 1. Equity share in parentheses indicates the level of indirect holdings.

2. The Company has 69 consolidated subsidiaries, including the major subsidiaries as listed above, and 81 affiliates accounted for by the equity method.

## 8. Major Business Locations (as of March 31, 2015)

### (1) The Company's Major Offices and Power Stations

#### (a) Offices

Office Name		Location
Head Office		Chuo-ku, Tokyo
Regional Headquarters	Hokkaido Regional Headquarter	Sapporo-shi, Hokkaido Pref.
	East Regional Headquarter	Kawagoe-shi, Saitama Pref.
	Chubu Regional Headquarter	Kasugai-shi, Aichi Pref.
	West Regional Headquarter	Osaka-shi, Osaka Pref.

#### (b) Power Stations

Sector	Power Station Name (Location)
Hydroelectric Power (Output of 100 MW or more)	Okutadami, Tagokura, Otori, Shimogo (all in Fukushima Pref.), Okukiyotsu, Okukiyotsu #2 (both in Niigata Pref.), Numappara (Tochigi Pref.), Shintoyone (Aichi Pref.), Sakuma (Shizuoka Pref.), Miboro (Gifu Pref.), Nagano (Fukui Pref.), Tedorigawa #1 (Ishikawa Pref.), Ikehara (Nara Pref.), Sendaigawa #1 (Kagoshima Pref.) (45 other power stations with output below 100 MW)
Thermal Power	Isogo (Kanagawa Pref.), Takasago (Hyogo Pref.), Takehara (Hiroshima Pref.), Tachibanawan (Tokushima Pref.), Matsuura, Matsushima (both in Nagasaki Pref.), Ishikawa Coal Thermal (Okinawa Pref.), Onikobe Geothermal (Miyagi Pref.)

### (2) Location of Major Subsidiaries

Head office locations of major subsidiaries are provided in "7. Major Subsidiaries" on pages 20 to 22.

## 9. Employees (as of March 31, 2015)

### (1) Employees of the J-POWER Group

Segment	Number of Employees
Electric Power Business	2,339
Electric Power-Related Businesses	3,981
Overseas Business	744
Other Businesses	221
Total	7,285

Notes: 1. The number of employees represents a number of employees at work.

2. The number of temporary employees is omitted as it is less than 10% of the total.

### (2) Employees of the Company

Number of Employees	Change Since Previous FY	Average Age	Average Years of Service
2,366	+14	41.0	19.9

Notes: 1. The number of employees represents a number of employees at work, and does not include 740 employees on loan, etc.

2. The number of temporary employees is omitted as it is less than 10% of the total.

## 10. Major Lenders (as of March 31, 2015)

Lender	Loan Balance at End of this Fiscal Year
Mizuho Bank, Ltd.	90,372 million yen
Sumitomo Mitsui Banking Corporation	81,800 million yen
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	58,373 million yen
Nippon Life Insurance Company	51,890 million yen
The Norinchukin Bank	50,000 million yen

Note: In addition to those listed above, there are two other major loan for overseas business projects under loan syndication arrangements (235,435 million yen in total).



## II Items Regarding Shares of the Company

Shares (as of March 31, 2015)

- (1) Number of shares authorized for issue 660,000,000 shares
- (2) Number of shares issued 183,051,100 shares  
(including 651 shares of treasury stock)
- (3) Number of shareholders 47,154

**(4) Major shareholders (top 10 shareholders)**

Shareholder Name	Number of share held (thousands)	Shareholding ratio (%)
Japan Trustee Services Bank, Ltd. (Account in Trust)	9,081	4.96
Nippon Life Insurance Company	8,630	4.71
Mizuho Bank, Ltd.	7,465	4.08
The Master Trust Bank of Japan, Ltd. (Account in Trust)	7,369	4.03
Sumitomo Mitsui Banking Corporation	4,295	2.35
J-POWER Employees Shareholding Association	3,664	2.00
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,331	1.82
Fukoku Mutual Life Insurance Company	3,025	1.65
JPMorgan Chase Bank, N.A. (Account 385078)	2,718	1.49
Sumitomo Mitsui Trust Bank, Limited	2,247	1.23

Note: The above shareholding ratios are calculated excluding treasury stock.

**(5) Other important matters regarding shares**

The number of shares issued increased by 16,481,500 shares due to issuing new shares through public offering with the payment date of March 10, 2015, as well as issuing new shares through third-party allotment accompanying sales of the Company's shares by overallotment with the payment date of March 24, 2015.

Treasury stock decreased by 16,518,500 shares due to the disposition of treasury stock through public offering with the payment date of March 10, 2015.

### III Items Regarding Directors/Audit & Supervisory Board Members of the Company

#### 1. Directors and Audit & Supervisory Board Members (as of March 31, 2015)

Title	Name	Roles and responsibilities of the current position and other major concurrent positions
Chairman and Representative Director	Yasuo Maeda	<ul style="list-style-type: none"> <li>• Company-wide compliance</li> <li>• Group technology improvements</li> </ul>
President and Representative Director	Masayoshi Kitamura	
Executive Vice President and Representative Director	Yoshihiko Sakanashi	<ul style="list-style-type: none"> <li>• Assistant to the president for businesses described below: <ul style="list-style-type: none"> <li>Corporate Planning &amp; Administration Dept.;</li> <li>Accounting &amp; Finance Dept.;</li> <li>Personnel &amp; Employee Relations Dept.;</li> <li>Siting &amp; Environment Dept.;</li> <li>Energy Business Dept.;</li> <li>Environment &amp; Energy Business Dept.;</li> <li>International Business Management Dept.; and</li> <li>International Business Development Dept.</li> </ul> </li> <li>• Compliance and risk management</li> <li>• Department Director of International Business (delegation of administrative works)</li> <li>• Regional operations (central)</li> </ul>
Executive Vice President and Representative Director	Minoru Hino	<ul style="list-style-type: none"> <li>• Assistant to the president for businesses described below: <ul style="list-style-type: none"> <li>Civil &amp; Architectural Engineering Dept.;</li> <li>Transmission System &amp; Telecommunications Dept.;</li> <li>Thermal Power Dept.;</li> <li>Thermal Power Engineering Dept.;</li> <li>Nuclear Power Management Dept.;</li> <li>Nuclear Power Engineering Dept.;</li> <li>Ohma General Management Dept.; and</li> <li>Research &amp; Development Dept.</li> </ul> </li> <li>• Compliance and risk management</li> <li>• Department Director of Nuclear Power Business (delegation of administrative works)</li> <li>• Regional operations (central, west and east region)</li> </ul>

Title	Name	Roles and responsibilities of the current position and other major concurrent positions
Executive Vice President and Representative Director	Toshifumi Watanabe	<ul style="list-style-type: none"> <li>• Assistant to the president for businesses described below: <ul style="list-style-type: none"> <li>Secretarial Affairs &amp; Public Relations Dept.;</li> <li>General Affairs Dept.;</li> <li>Business Planning Dept.;</li> <li>Power Sales Dept.;</li> <li>Procurement Office;</li> <li>Power System Operation Dept.; and</li> <li>Hydropower Dept.;</li> </ul> </li> <li>• Compliance and risk management</li> <li>• Disaster readiness</li> <li>• Department Deputy Director of Nuclear Power Business (delegation of administrative works)</li> <li>• Regional operations (central region)</li> </ul>
Executive Director and Executive Managing Officer	Seigo Mizunuma	<ul style="list-style-type: none"> <li>• Accounting &amp; Finance Dept.</li> <li>• International Business Development Dept.</li> <li>• Department Deputy Director of International Business (delegation of administrative works)</li> </ul>
Executive Director and Executive Managing Officer	Kuniharu Takemata	<ul style="list-style-type: none"> <li>• Siting &amp; Environment Dept.</li> <li>• Environment &amp; Energy Business Dept.</li> <li>• Hydroelectric power business (matters under special assignment)</li> <li>• Regional operations (east region)</li> </ul>
Executive Director and Executive Managing Officer	Junji Nagashima	<ul style="list-style-type: none"> <li>• Nuclear Power Engineering Dept.</li> <li>• Research &amp; Development Dept.</li> <li>• Department Deputy Director of Nuclear Power Business (delegation of administrative works)</li> </ul>
Executive Director and Executive Managing Officer	Hitoshi Murayama	<ul style="list-style-type: none"> <li>• Thermal Power Dept.</li> <li>• Thermal Power Engineering Dept.</li> <li>• International power business (matters under special assignment)</li> <li>• Research &amp; development (matters under special assignment)</li> <li>• Regional operations (west region)</li> </ul>
Executive Director and Executive Managing Officer	Masato Uchiyama	<ul style="list-style-type: none"> <li>• Secretarial Affairs &amp; Public Relations Dept.</li> <li>• Personnel &amp; Employee Relations Dept.</li> <li>• Power Sales Dept.</li> <li>• Power System Operation Dept.</li> </ul>
Executive Director and Executive Managing Officer	Naori Fukuda	<ul style="list-style-type: none"> <li>• Civil &amp; Architectural Engineering Dept.</li> <li>• Department Deputy Director of Nuclear Power Business (delegation of administrative works)</li> <li>• Hydroelectric power business, thermal power engineering business, nuclear power business and international power business (matters under special assignment)</li> <li>• Regional operations (central region)</li> </ul>
Non-Executive Director	Go Kajitani	<p>&lt;Major concurrent positions&gt;</p> <ul style="list-style-type: none"> <li>• Attorney at law (KAJITANI LAW OFFICES)</li> </ul>
Non-Executive Director	Mariko Fujii	<p>&lt;Major concurrent positions&gt;</p> <ul style="list-style-type: none"> <li>• Professor of Research Center for Advanced Science and Technology, the University of Tokyo (National University Corporation)</li> </ul>

<b>Title</b>	<b>Name</b>	<b>Roles and responsibilities of the current position and other major concurrent positions</b>
Senior Audit & Supervisory Board Member	Akira Samata	(Full-time)
Audit & Supervisory Board Member	Hiroshi Fujioka	(Full-time)
Audit & Supervisory Board Member	Hirotsada Tanou	(Full-time)
Audit & Supervisory Board Member	Mutsutake Otsuka	<Major concurrent positions> <ul style="list-style-type: none"> <li>• Advisor of East Japan Railway Company</li> <li>• Vice Chairman of Nippon Keidanren</li> <li>• Outside Director of JX Holdings, Inc.</li> <li>• Outside Director of NIPPON STEEL &amp; SUMITOMO METAL CORPORATION</li> </ul>
Audit & Supervisory Board Member	Kiyoshi Nakanishi	<Major concurrent positions> <ul style="list-style-type: none"> <li>• Adviser of GENESIS RESEARCH INSTITUTE, INC.</li> <li>• Audit &amp; Supervisory Board Member of TOYOTA TECHNOCRAFT Co., LTD.</li> </ul>

- Notes: 1. Procurement Office was reorganized as the Procurement Department in the organizational change as of April 1, 2015.
2. Mr. Go Kajitani, who serves as an Outside Director of the Company, was appointed by the Company as an independent director/auditor specified in the regulations of the Tokyo Stock Exchange.
  3. KAJITANI LAW OFFICES has no special relationship with the Company.
  4. Mr. Go Kajitani, who serves as a Director of the Company, resigned from his position as President of Japan Legal Support Center as of April 9, 2014. The Center has no special relationship with the Company.
  5. Mr. Go Kajitani, who serves as a Director of the Company, resigned from his position as an Outside Audit & Supervisory Board Member of The Yokohama Rubber Company, Limited with the expiration of his term of office as of March 27, 2015. The said Company has no special relationship with the Company.
  6. Ms. Mariko Fujii, who serves as an Outside Director of the Company, was appointed by the Company as an independent director/auditor specified in the regulations of the Tokyo Stock Exchange.
  7. Research Center for Advanced Science and Technology, the University of Tokyo (National University Corporation) has no special relationship with the Company.
  8. Mr. Hiroshi Fujioka, who serves as an Outside Audit & Supervisory Board Member of the Company, was appointed by the Company as an independent director/auditor specified in the regulations of the Tokyo Stock Exchange.
  9. Mr. Hiroshi Fujioka, who serves as an Outside Audit & Supervisory Board Member of the Company, has a high level of knowledge in the area of finance and accounting as he has had long experience in the administration of fiscal and financial issues, etc.
  10. Mr. Mutsutake Otsuka, who serves as an Outside Audit & Supervisory Board Member of the Company, was appointed by the Company as an independent director/auditor specified in the regulations of the Tokyo Stock Exchange.
  11. East Japan Railway Company and JX Holdings, Inc. have no special relationship with the Company.
  12. NIPPON STEEL & SUMITOMO METAL CORPORATION and the Company established, by joint capital investment, "Kashima Power Co., Ltd.", to promote a plan to construct a coal-fired thermal power plant (650MW class).
  13. Mr. Mutsutake Otsuka, who serves as an Outside Audit & Supervisory Board Member of the Company, intends to resign from his position as Vice Chairman of Nippon Keidanren as of June 2, 2015.
  14. Mr. Kiyoshi Nakanishi, who serves as an Outside Audit & Supervisory Board Member of the Company, was appointed by the Company as an independent director/auditor specified in the regulations of the Tokyo Stock Exchange.
  15. GENESIS RESEARCH INSTITUTE, INC. and TOYOTA TECHNOCRAFT Co., LTD. have no special relationship with the Company.
  16. Mr. Takashi Fujiwara, who served as an Audit & Supervisory Board Member of the Company, resigned at the end of the 62nd Ordinary General Meeting of Shareholders, which was held on June 26, 2014. He was an Outside Audit & Supervisory Board Member of the Company at the time of his resignation.

## 2. Directors' and Audit & Supervisory Board Members' Remuneration

Category	Number of Persons	Total Amount
Directors (Outside Directors)	13 (2)	422 million yen (17 million yen)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	6 (4)	107 million yen (43 million yen)
Total	19	530 million yen

Notes: 1. The Directors' remuneration includes a performance-linked bonus of 48 million yen for this fiscal year.  
2. The number of Audit & Supervisory Board Members includes one Audit & Supervisory Board Member who resigned at the end of 62nd Ordinary General Meeting of Shareholders held on June 26, 2014.

## 3. Policy for the Determination of Remuneration for Directors and Audit & Supervisory Board Members

The Company has established a policy for determining the amount of remuneration for Directors and Audit & Supervisory Board Members as follows:

By resolution at the 54th Ordinary General Meeting of Shareholders held on June 28, 2006, the Directors' remuneration was capped at 625 million yen annually (a fixed monthly salary calculated according to position and a performance-linked bonus paid once a year. Employee salaries for Directors who serve in dual capacity as employees are excluded).

By resolution at the 54th Ordinary General Meeting of Shareholders held on June 28, 2006, the Audit & Supervisory Board Members' remuneration was capped at 120 million yen annually (a fixed monthly salary calculated according to position).

Specific amounts are determined within these limits by the Board of Directors in the case of Directors' remuneration and by consultation among Audit & Supervisory Board Members in the case of Audit & Supervisory Board Members' remuneration.

#### 4. Items Regarding Outside Directors/Audit & Supervisory Board Members

##### (1) Major Concurrent Positions of Outside Officers and Their Relationships with the Company

Details of major concurrent positions of Outside Directors/Audit & Supervisory Board Members and their relationships with the Company are described under “1. Directors and Audit & Supervisory Board Members” on pages 26 to 28.

##### (2) Key Activities in this Fiscal Year

Name (Title)	Key Activities
Go Kajitani (Non-Executive Director)	Has attended 13 of the 13 Board of Directors meetings and made comments primarily based on his distinguished knowledge and a wide range of experience as an attorney at law.
Mariko Fujii (Non-Executive Director)	Has attended 11 of the 11 Board of Directors meetings after assuming her current position as of June 26, 2014 and made comments primarily based on her distinguished knowledge and a wide range of experience she acquired through working in the administration and research of financial economics and public policy.
Hiroshi Fujioka (Audit & Supervisory Board Member)	Has attended 11 of the 11 Board of Directors meetings and 10 of the 10 Audit & Supervisory Board meetings after assuming his current position as of June 26, 2014 and made comments primarily based on his distinguished knowledge and a wide range of experience in the administration of fiscal and financial issues, etc.
Mutsutake Otsuka (Audit & Supervisory Board Member)	Has attended 11 of the 13 Board of Directors meetings and 11 of the 12 Audit & Supervisory Board meetings and made comments primarily based on his distinguished knowledge and a wide range of experience in the management of a listed company.
Kiyoshi Nakanishi (Audit & Supervisory Board Member)	Has attended 13 of the 13 Board of Directors meetings and 12 of the 12 Audit & Supervisory Board meetings and made comments primarily based on his distinguished knowledge and a wide range of experience in the management of a listed company.

##### (3) Overview of Limitation of Liability Contracts

In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with its Outside Directors and Outside Audit & Supervisory Board Members that limit their liability for damages arising from failure to perform duties. The limit of their liability under these contracts is the amount prescribed by the applicable laws and regulations.

#### IV Status of Accounting Auditors

##### 1. Name of Accounting Auditors

Ernst & Young ShinNihon LLC

##### 2. Amount of Accounting Auditor Remuneration in this Fiscal Year

Segment	Amount Paid
Amount of compensation paid in this fiscal year	93 million yen
Total amount owed to Accounting Auditor by the Company and its subsidiaries in the form of cash or other financial benefit	180 million yen

Notes: 1. According to the Auditing Agreement between the Company and its Accounting Auditor, no separation is made in auditor remuneration between auditing under the Companies Act and auditing under the Financial Instruments and Exchange Act, and since the two cannot, in fact, be distinguished, the amount noted above represents total compensation for services under both categories in the current fiscal year.

2. Of the Company's major subsidiaries, 6 companies, including J-POWER AUSTRALIA PTY. LTD. use the accounting audit services of other audit firms.

##### 3. Non-audit Services

The Company has entrusted its Accounting Auditor to provide certain services, such as an advisory service for the introduction of the International Accounting Standards, other than those defined in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan (non-audit services).

##### 4. Policy Regarding Discharge or Non-reelection of Accounting Auditors

In addition to the discharge of Accounting Auditors by the Audit & Supervisory Board, as provided for in Article 340 of the Companies Act, the Company, at the behest of or with the consent of its Audit & Supervisory Board, may put forth a proposal at its General Meeting of Shareholders calling for the discharge or non-reelection of its Accounting Auditors if they are deemed unable to adequately perform their duties, or for other justifiable reason.

## V Corporate Structure and Policies

### 1. Systems for Ensuring Appropriate Business Operations

Basis policy regarding the systems for ensuring appropriate execution of business operations (i.e. internal control systems) resolved by the Board of Directors is as follows:

#### **(1) Systems for Ensuring Proper Execution of Business Operations by Directors and Employees in Compliance with Laws and Regulations, and the Articles of Incorporation**

In accordance with the “J-POWER Codes of Conduct for Corporate Activities” based on the “J-POWER Corporate Philosophy,” the Directors shall strive under their own initiative to set an example of honest and fair conduct in a spirit of resolute compliance with the law and an ethical outlook, and to thoroughly instill the same in their employees. Furthermore, the Directors shall, and will thoroughly instruct its employees to, resolutely and in a definitive attitude, confront anti-social forces that threaten the order and safety of the civil society.

In order to further enhance the effectiveness of the supervisory function over the Board of Directors, we have established the position of Chairman who principally supervises as a Director, as well as the position of Outside Director who principally participates in the decision making for the management of the Company as a non-executive director.

In order to ensure appropriate execution of business operations, the Internal Audit Department shall, being functionally separated from other departments of the Company, independently conduct internal audit activities, and each department also conducts self-audit of the respective business operations.

In order to promote compliance in the activities of each employee, including managers, the “Compliance Code” has been formulated as a more specific criterion for assessing business activities. The Chairman shall be responsible for the company-wide compliance promotion system. The system for promoting compliance, as an organization that strives to discuss policies for promoting compliance, evaluate situations for carrying them out, and respond to issues of non-compliance throughout the Company, in addition to setting up Executive Vice President in charge of compliance who shall assist the Chairman and President and execute business operations promoting compliance, has set up the “Company-wide Compliance Action Committee” chaired by the Chairman, which is supported by two subcommittees on company-wide compliance promotion activities and on voluntary safety and security promotion activities based on safety regulations for the purpose of promptly and appropriately carrying out business operations concerning the promotion of compliance. The “Compliance Consultation Desk” has also been established in the Internal Audit Department along with an external law office to serve as a direct point of contact for employees to seek advice on compliance issues. In addition to these aspects of our compliance promotion system, an “Oath of Compliance” has been circulated to all Directors, Executive Officers, and employees in an effort to raise awareness of compliance issues in a handy, easy-to-read format.

In order to improve transparency and accountability of corporate activities, the “Disclosure Committee” chaired by the President has been set up to implement the timely disclosure of corporate information in a proactive, fair, and transparent manner.



In order to ensure the reliability of financial reports, we shall strive, in accordance with both internal and external laws and regulations, to maintain and implement internal control concerning financial reports for the entire J-POWER Group and to evaluate its effectiveness.

**(2) Systems for Maintaining and Managing Information Concerning the Directors' Execution of Business Operations**

Representative Directors and Executive Officers shall regularly, and whenever required, report on situations involving the execution of business operations either to meetings of the Board of Directors or the Executive Committee, record the meeting minutes thereof in accordance with both internal and external laws and regulations, and maintain and manage them appropriately. Documentation concerning the execution of other business operations shall also be appropriately drafted, maintained, and managed in accordance with internal regulations.

**(3) Regulations and Other Systems of Risk Management**

Regarding risks involved in the execution of corporate activities, we shall make thoroughgoing efforts through a mutually supervised decision-making process, discussions at all meeting bodies, and the maintenance of routine, internal regulation-based risk management systems, to raise awareness of risks and set up policies to avoid them, and also strive to minimize the impact of losses when risks occur.

**(4) Systems for Ensuring that Directors Efficiently Execute Business Operations**

The Board of Directors' meetings, in principle, shall be held once a month or when required with the attendance of all Directors and Audit & Supervisory Board Members including Outside Directors and Outside Audit & Supervisory Board Members. The Executive Committee attended by all Directors (excluding Outside Directors), Executive Managing Officers, and full-time Audit & Supervisory Board Members shall also be held, in principle, once a week to discuss essential Company-wide matters relevant to the President and Executive Vice President's execution of business operations on the basis of matters raised in Board of Directors meetings and policies decided by the Board of Directors. Furthermore, meetings of Management Executing Committee composed of all Representative Directors, affiliated Executive Officers, and full-time Audit & Supervisory Board Members, in principle, shall be held twice a month to discuss essential matters concerning the execution of business operations on a case-by-case basis. In addition to the allocation of functions through Board of Directors, Executive Committee and Management Executing Committee, a system of Executive Officers shall be implemented to clarify responsibilities and jurisdiction, make appropriate and prompt decisions, and conduct Company operations effectively through the creation of a system that divides responsibilities for the execution of business operations among Representative Directors and Executive Officers.

**(5) Systems for Ensuring Appropriate Execution of Business Operations by the J-POWER Group Comprising the Company and its Subsidiaries**

Management of affiliated companies shall strive, in its basic policy, for the comprehensive expansion of the J-POWER Group as a whole in accordance with the J-POWER Group's business plan, and also strive, in addition to the management of affiliated companies in accordance with internal regulations, to realize appropriate business operations by the J-POWER Group through the Group Management Committee. Audit & Supervisory Board Members and the Internal Audit Department shall audit affiliated companies to ensure the propriety of business operations by the J-POWER Group.

**(6) Matters Concerning Employees when Audit & Supervisory Board Members Request the Placement of Said Employees to Assist Business Operations; Matters Concerning the Independence of Said Employees from the Directors**

As for the Audit & Supervisory Board Member personnel system, the Audit & Supervisory Board Members' Office shall be set up independent of the chain of command of the Directors, and an exclusive staff shall be set up to assist audits conducted by the Audit & Supervisory Board Members. Matters concerning the personnel of the Audit & Supervisory Board Members' Office shall furthermore be discussed with the full-time Audit & Supervisory Board Members.

**(7) Systems Whereby Directors and Employees Report to Audit & Supervisory Board Members and Other Systems Involving Reports Made to Audit & Supervisory Board Members**

The following shall be reported to the Audit & Supervisory Board Members:

- (a) Matters with the potential to inflict significant losses on the Company
- (b) Results of audits conducted by the Internal Auditing Department
- (c) Other matters required for the Audit & Supervisory Board Members to conduct their professional duties

**(8) Other Systems for Ensuring Efficient Audits by Audit & Supervisory Board Members**

The Directors shall set up an environment that enables the Audit & Supervisory Board Members to attend and provide advice at meetings of the Board of Directors, Executive Committee, Management Executing Committee and other such business meetings, as well as to hear about the status concerning the execution of business operations by Directors, Executive Officers and others, and smoothly investigate all Company institutions and their major subsidiaries. The Directors shall furthermore set up an environment that enables the Audit & Supervisory Board Members to maintain mutual cooperation with the Internal Audit Department and the Accounting Auditor through formulation of audit plans and reporting of their results.

## **2. Basic Policy Regarding Control of the Company**

In the more than half-century since the Company was founded in 1952 to help augment the domestic supply of electricity, it has continued to deliver low-cost, stable power, and to build and operate a nationwide infrastructure of primary transmission lines, contributing to the growth of our nation's economy and improvement in the standard of living of its citizens.

During this time, the Company has continued to hold as its corporate philosophy the mission to meet the peoples' need for energy with an uninterrupted supply, and to contribute to the sustainable growth of Japan and the world, while making the coexistence of energy and the environment the keynote of our business, working to build an attractive business with stable growth, and continuing our never-ending efforts to enhance corporate value.

Our business is primarily characterized by investment in power stations and other public infrastructure, and in recovering that investment through the long-term operation of those facilities. We believe that over the course of these long-term operations, it is through cooperation with our many stakeholders, and our ability to deliver stable growth, that we are able to maximize the corporate value of the Company.

While we hope that our shareholders will understand the unique characteristics of our business, we also believe that our shareholders should naturally be free to exercise their own will in buying or selling Company stock.

Nevertheless, when it comes to large-scale acquisition of Company shares with the intent to acquire management control, the Directors of the Company, who serve at your mandate, also believe that a response needs to be based on careful consideration, in light of corporate value, of the benefits to our shareholders collectively.

As a result, in cases where the shareholders and Directors have not been provided with sufficient time or information to properly consider such a move, or when, upon consideration, it is determined that such an attempt may inflict serious damage to the collective interests of our shareholders, and consequently to our corporate value, the Company's policy shall be to take such measures as are appropriate and permitted under the Companies Act and other relevant laws and regulations.

**CONSOLIDATED BALANCE SHEETS** (as of March 31, 2015)

(millions of yen)

<b>Assets</b>	
<b>Non-current assets</b>	2,275,453
<b>Electric utility plant and equipment</b>	986,552
Hydroelectric power production facilities	348,911
Thermal power production facilities	334,252
Internal combustion engine power production facilities	5,105
Renewable power production facilities	40,877
Transmission facilities	168,680
Transformation facilities	30,206
Communication facilities	8,469
General facilities	50,049
<b>Overseas business facilities</b>	264,800
<b>Other non-current assets</b>	115,111
<b>Construction in progress</b>	506,967
Construction and retirement in progress	506,967
<b>Nuclear fuel</b>	71,467
Nuclear fuel in processing	71,467
<b>Investments and other assets</b>	330,555
Long-term investments	269,891
Net defined benefit asset	278
Deferred tax assets	38,705
Investments and other assets	21,725
Allowance for doubtful accounts	(45)
<b>Current assets</b>	383,695
Cash and deposits	69,151
Notes and accounts receivable - trade	71,288
Short-term investments	167,433
Inventories	37,781
Deferred tax assets	5,736
Other current assets	32,337
Allowance for doubtful accounts	(32)
<b>Total assets</b>	2,659,149

**CONSOLIDATED BALANCE SHEETS** (as of March 31, 2015) *(Continued)*

(millions of yen)

<b>Liabilities</b>	
<b>Non-current liabilities</b>	1,633,825
Bonds payable	666,061
Long-term loans payable	857,846
Lease obligations	697
Other provision	84
Net defined benefit liability	48,901
Asset retirement obligations	7,510
Deferred tax liabilities	20,394
Other non-current liabilities	32,327
<b>Current liabilities</b>	329,025
Current portion of non-current liabilities	169,754
Short-term loans payable	30,044
Notes and accounts payable - trade	44,035
Accrued taxes	13,516
Other provision	270
Asset retirement obligations	372
Deferred tax liabilities	5
Other current liabilities	71,027
<b>Total liabilities</b>	1,962,851
<b>Net Assets</b>	
<b>Shareholders' equity</b>	629,463
Capital stock	180,502
Capital surplus	109,902
Retained earnings	339,061
Treasury stock	(2)
<b>Accumulated other comprehensive income</b>	59,268
Valuation difference on available-for-sale securities	19,860
Deferred gains or losses on hedges	(15,821)
Foreign currency translation adjustment	53,205
Remeasurements of defined benefit plans	2,023
<b>Minority interests</b>	7,566
<b>Total net assets</b>	696,298
<b>Total liabilities and net assets</b>	2,659,149

**CONSOLIDATED STATEMENTS OF INCOME** (from April 1, 2014 to March 31, 2015)

(millions of yen)

<b>Ordinary revenue</b>	
<b>Operating revenue</b>	750,627
Electric utility operating revenue	588,184
Overseas business operating revenue	108,916
Other business operating revenue	53,526
<b>Non-operating income</b>	22,714
Dividend income	1,869
Interest income	1,155
Equity in earnings of affiliates	15,659
Other	4,030
<b>Total ordinary revenue</b>	773,341
<b>Ordinary expenses</b>	
<b>Operating expenses</b>	677,767
Electric utility operating expenses	521,351
Overseas business operating expenses	98,979
Other business operating expenses	57,436
[Operating income	72,859]
<b>Non-operating expenses</b>	36,223
Interest expenses	28,224
Other	7,999
<b>Total ordinary expenses</b>	713,991
<b>Ordinary income</b>	59,350
<b>Provision or reversal of reserve for fluctuation in water levels</b>	(119)
Reversal of reserve for fluctuation in water levels	(119)
<b>Extraordinary income</b>	2,127
Gain on sales of shares of subsidiaries	2,127
<b>Income before income taxes and minority interests</b>	61,598
<b>Income taxes - current</b>	7,468
<b>Income taxes - deferred</b>	9,917
<b>Income before minority interests</b>	44,212
<b>Minority interests in income</b>	1,005
<b>Net income</b>	<b>43,206</b>

(Reference)

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(from April 1, 2014 to March 31, 2015)

(millions of yen)

<b>Income before minority interests</b>	44,212
<b>Other comprehensive income</b>	
Valuation difference on available-for-sale securities	10,809
Deferred gains or losses on hedges	(19,529)
Foreign currency translation adjustment	17,057
Remeasurements of defined benefit plans, net of tax	(1,569)
Share of other comprehensive income of associates accounted for using equity method	14,145
Total other comprehensive income	20,913
<b>Comprehensive income</b>	65,125
(Comprehensive income attributable to abstract)	
Comprehensive income attributable to owners of the parent	65,124
Comprehensive income attributable to minority interests	1

**NON-CONSOLIDATED BALANCE SHEETS** (as of March 31, 2015)

(millions of yen)

<b>Assets</b>	
<b>Non-current assets</b>	1,795,979
<b>Electric utility plant and equipment</b>	965,328
Hydroelectric power production facilities	359,001
Thermal power production facilities	341,313
Renewable power production facilities	2,523
Transmission facilities	171,471
Transformation facilities	31,424
Communication facilities	9,095
General facilities	50,497
<b>Incidental business facilities</b>	2,088
<b>Non-operating facilities</b>	406
<b>Construction in progress</b>	384,957
Construction in progress	384,859
Retirement in progress	98
<b>Nuclear fuel</b>	71,467
Nuclear fuel in processing	71,467
<b>Investments and other assets</b>	371,731
Long-term investments	83,250
Long-term investment for subsidiaries and associates	252,708
Long-term prepaid expenses	16,718
Deferred tax assets	19,203
Allowance for doubtful accounts	(149)
<b>Current assets</b>	262,629
Cash and deposits	4,380
Accounts receivable - trade	32,145
Other accounts receivable	649
Short-term investments	167,398
Supplies	30,048
Prepaid expenses	2,385
Short-term receivables from subsidiaries and associates	6,197
Deferred tax assets	3,885
Other current assets	15,539
<b>Total assets</b>	2,058,609



**NON-CONSOLIDATED BALANCE SHEETS** (as of March 31, 2015) *(Continued)*

(millions of yen)

<b>Liabilities</b>	
<b>Non-current liabilities</b>	1,245,889
Bonds payable	666,061
Long-term loans payable	524,557
Long-term accrued liabilities	271
Lease obligations	249
Long-term debt to subsidiaries and associates	6,346
Provision for retirement benefits	41,945
Asset retirement obligations	214
Other non-current liabilities	6,242
<b>Current liabilities</b>	300,443
Current portion of non-current liabilities	157,661
Short-term loans payable	18,350
Accounts payable - trade	3,341
Accounts payable - other	11,996
Accrued expenses	10,801
Accrued taxes	7,972
Deposits received	315
Short-term debt to subsidiaries and associates	84,544
Other advances	602
Other current liabilities	4,857
<b>Total liabilities</b>	1,546,332

**NON-CONSOLIDATED BALANCE SHEETS** (as of March 31, 2015) *(Continued)*

(millions of yen)

<b>Net Assets</b>	
<b>Shareholders' equity</b>	494,713
<b>Capital stock</b>	180,502
<b>Capital surplus</b>	109,904
Legal capital surplus	109,904
<b>Retained earnings</b>	204,309
Legal retained earnings	6,029
Other retained earnings	198,280
Reserve for special disaster	65
Exchange-fluctuation preparation reserve	1,960
General reserve	152,861
Retained earnings brought forward	43,393
<b>Treasury stock</b>	(2)
<b>Valuation and translation adjustments</b>	17,562
Valuation difference on available-for-sale securities	18,663
Deferred gains or losses on hedges	(1,101)
<b>Total net assets</b>	512,276
<b>Total liabilities and net assets</b>	2,058,609

**NON-CONSOLIDATED STATEMENTS OF INCOME** (from April 1, 2014 to March 31, 2015)

(millions of yen)

<b>Ordinary revenue</b>	
<b>Operating revenue</b>	557,943
<b>Electric utility operating revenue</b>	548,580
Sold power to other suppliers	495,313
Transmission revenue	49,281
Other electricity revenue	3,985
<b>Incidental business operating revenue</b>	9,363
Operating revenue - consulting business	1,939
Operating revenue - coal sale business	5,925
Operating revenue - other businesses	1,498
<b>Non-operating income</b>	8,599
<b>Financial revenue</b>	6,626
Dividends income	5,250
Interest income	1,375
<b>Non-operating revenue</b>	1,973
Gain on sales of non-current assets	3
Miscellaneous revenue	1,969
<b>Total ordinary revenue</b>	566,543
<b>Ordinary expenses</b>	
<b>Operating expenses</b>	513,387
<b>Electric utility operating expenses</b>	504,946
Hydroelectric power production expenses	62,171
Thermal power production expenses	359,690
Renewable power production expenses	367
Purchased power from other suppliers	10
Transmission expenses	26,459
Transformation expenses	6,317
Selling expenses	1,244
Communicating expenses	4,853
General and administrative expenses	36,828
Enterprise tax	7,001

**NON-CONSOLIDATED STATEMENTS OF INCOME**(from April 1, 2014 to March 31, 2015) (Continued)

	(millions of yen)
<b>Incidental business operating expenses</b>	8,441
Operating expenses - consulting business	1,351
Operating expenses - coal sale business	5,817
Operating expenses - other businesses	1,272
[Operating income	44,555]
<b>Non-operating expenses</b>	24,217
<b>Financial expenses</b>	19,531
Interest expenses	19,115
Share issuance cost	274
Bond issuance cost	141
<b>Non-operating expenses</b>	4,685
Loss on sales of non-current assets	55
Miscellaneous expenses	4,629
<b>Total ordinary expenses</b>	537,605
<b>Ordinary income</b>	28,938
<b>Provision or reversal of reserve for fluctuation in water levels</b>	(119)
Reversal of reserve for fluctuation in water levels	(119)
<b>Extraordinary income</b>	2,280
Gain on transfer of long-term investment for subsidiaries and affiliates	2,280
<b>Income before income taxes</b>	31,337
<b>Income taxes</b>	8,895
Income taxes-current	3,444
Income taxes-deferred	5,450
<b>Net income</b>	22,442

**THE AUDIT REPORT OF INDEPENDENT AUDITORS**  
**CONCERNING THE CONSOLIDATED FINANCIAL STATEMENTS**

Report of Independent Auditors

May 11, 2015

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

Ernst & Young ShinNihon LLC  
Hidehito Uchida  
Certified Public Accountant  
Designated and Engagement Partner  
Koki Takahashi  
Certified Public Accountant  
Designated and Engagement Partner

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Electric Power Development Co., Ltd. (the “Company”) applicable to the 63rd fiscal year from April 1, 2014 through March 31, 2015.

*Management's Responsibility for the Consolidated Financial Statements*

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

*Auditors' Responsibility*

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the J-POWER Group, which consisted of the Company and consolidated subsidiaries, applicable to the 63rd fiscal year ended March 31, 2015 in conformity with accounting principles generally accepted in Japan.

*Conflicts of Interest*

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

**THE AUDIT REPORT OF INDEPENDENT AUDITORS**  
**CONCERNING THE NON-CONSOLIDATED FINANCIAL STATEMENTS**

Report of Independent Auditors

May 11, 2015

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

Ernst & Young ShinNihon LLC  
Hidehito Uchida  
Certified Public Accountant  
Designated and Engagement Partner  
Koki Takahashi  
Certified Public Accountant  
Designated and Engagement Partner

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Electric Power Development Co., Ltd. (the "Company") applicable to the 63rd fiscal year from April 1, 2014 through March 31, 2015.

*Management's Responsibility for the Financial Statements and the Related Supplementary Schedules*

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

*Auditors' Responsibility*

Our responsibility is to express an opinion on the financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Electric Power Development Co., Ltd. applicable to the 63rd fiscal year ended March 31, 2015 in conformity with accounting principles generally accepted in Japan.

*Conflicts of Interest*

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

## **REPORT OF THE AUDIT & SUPERVISORY BOARD**

### **Audit Report**

The Audit & Supervisory Board hereby reports as follows regarding the performance of duties by the Directors of the Electric Power Development Co., Ltd. (the “Company”) during its 63rd fiscal year, from April 1, 2014 to March 31, 2015, based on reports prepared by each Audit & Supervisory Board Member and subsequent deliberations of the Audit & Supervisory Board.

#### 1. Method of the audits by the individual Audit & Supervisory Board Members and the Audit & Supervisory Board; content of audits

In addition to receiving reports on the progress in and results of audits by the individual Audit & Supervisory Board Members, based on the Audit & Supervisory Board’s policies and audit plans, the Audit & Supervisory Board also received reports on business performance from the Directors and the Accounting Auditors, and requested explanations from them as necessary.

In accordance with the auditing standards, policies, and plans set forth by the Audit & Supervisory Board, each of the Audit & Supervisory Board Members worked to communicate with the Directors, the Internal Audit Department, and other employees in collecting information and establishing an appropriate audit environment. Audit & Supervisory Board Members also participated in meetings of the Board of Directors and other key meetings, received reports from the Directors and other employees regarding the performance of their duties, and when necessary, requested explanations of those reports. Audit & Supervisory Board Members also reviewed key decision documents, and conducted surveys of the operations and assets of both the head office and other local offices.

Further, Audit & Supervisory Board Members were responsible for monitoring and verifying the status of various corporate structures, including those necessary to ensure compliance by Directors with laws and regulations, and the Articles of Incorporation, and those needed for ensuring the fair performance of the Company’s operations as a stock corporation as described in the Business Report, namely decisions by the Board of Directors regarding the establishment of systems as set forth in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act (the internal control system).

Additional consideration was given to the policies set forth in Article 118, Item 3 (a) of the Ordinance for Enforcement of the Companies Act, as noted in the Business Reports, based on the status of deliberations at the meeting of Board of Directors and other key meetings.

Regarding subsidiaries, Audit & Supervisory Board Members worked to communicate with Directors, Audit & Supervisory Board Members, and other parties at those subsidiaries, and when necessary conduct hearings with them regarding the status of their performance of duties, including surveys of operations and assets of those subsidiaries.

Based on the above methods, Audit & Supervisory Board Members examined the Business Report and supplemental statements regarding the fiscal year under review.

Further, while also monitoring and reviewing the audit of the Accounting Auditor to ensure they maintained an independent position and conducted their audits fairly, Audit & Supervisory Board Members received reports from them regarding the performance of their duties, and when necessary, asked for further explanation regarding those reports.

Audit & Supervisory Board Members also received notice from the Accounting Auditor in accordance with “the system for ensuring appropriate execution of their duties” (as enumerated in each Item of Article 131 of the Company Accounting Regulation Ordinance) in compliance with the “Quality Control Standards Relating to Auditing” (adopted by the Business Accounting Deliberations Council in October 28, 2005), and, where necessary, Audit & Supervisory Board Members requested further explanation regarding that notice.

Based on the above methods, Audit & Supervisory Board Members proceeded to review the non-consolidated financial statements (consist of the non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statement of changes in shareholders’ equity, and notes on significant accounting policies used in preparation of the non-consolidated financial statements) with supplemental statements, and the consolidated financial statements (consist of the consolidated balance sheets, the consolidated statements of income, the consolidated statement of changes in shareholders’ equity, and notes on significant accounting policies used in preparation of the consolidated financial statements) for the fiscal year under review.

## 2. Audit Results

### (1) Results of Audit of Business Reports, etc.

- (i) The Audit & Supervisory Board confirms that the Business Reports and supplemental statements conformed to the applicable laws and regulations, and the Articles of Incorporation, and that they accurately present the situation of the Company.
- (ii) With respect to the performance of the Directors, the Audit & Supervisory Board found no improper acts or important violation of applicable laws and regulations or the Articles of Incorporation.
- (iii) The Audit & Supervisory Board confirms that decisions by the Board of Directors regarding the Company's internal control systems to be fair and adequate, and found no areas that require mention regarding the description of the internal control systems in the Business Report and the performance of duties by Directors.
- (iv) The Audit & Supervisory Board found no items that need to be pointed out regarding the Basic Policy Regarding Control of the Company, noted in the Business Report.

### (2) Results of Audit of Non-consolidated Financial Statements and Supplemental Statements

The Audit & Supervisory Board confirms that the methods used and results achieved by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be fair and adequate.

### (3) Results of Audit of Consolidated Financial Statements

The Audit & Supervisory Board confirms that the methods used and results achieved by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be fair and adequate.

May 12, 2015

Audit & Supervisory Board  
Electric Power Development Co., Ltd.

Akira Samata (seal)  
Senior Audit & Supervisory Board Member  
(Full-time)

Hiroshi Fujioka (seal)  
Audit & Supervisory Board Member (Full-time)

Hirotsada Tanou (seal)  
Audit & Supervisory Board Member (Full-time)

Mutsutake Otsuka (seal)  
Audit & Supervisory Board Member

Kiyoshi Nakanishi (seal)  
Audit & Supervisory Board Member

Note: Audit & Supervisory Board Members Hiroshi Fujioka, Mutsutake Otsuka and Kiyoshi Nakanishi are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.