

This is an English translation of the Quarterly Financial Results (*Kessan Tanshin*) filed with the Tokyo Stock Exchange on July 31, 2013. Please note that if there is any discrepancy, the original Japanese version will take priority.



(English Translation)

## Quarterly Financial Results (Unaudited) (for the Three Months Ended June 30, 2013)

July 31, 2013

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

Listed exchange: Tokyo Stock Exchange (Code: 9513)

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Scheduled date for filing of a quarterly report: August 5, 2013

Scheduled date of dividend payment commencement: Not applicable

Preparation of supplementary explanations material: Yes

Quarterly financial results presentation held: No

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

#### 1. Consolidated Financial Results (From April 1, 2013 to June 30, 2013)

##### (1) Consolidated Operating Results

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

	Operating revenues		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2013	161,811	10.0	22,282	55.5	20,870	71.9	16,328	104.8
Three months ended June 30, 2012	147,144	0.9	14,326	(19.8)	12,138	(25.6)	7,971	(26.1)

(Note) Comprehensive income: Three months ended June 30, 2013 42,597 million yen 192.0 %  
Three months ended June 30, 2012 14,590 million yen 13.1 %

	Net income per share	Fully diluted net income per share
	yen	yen
Three months ended June 30, 2013	108.82	—
Three months ended June 30, 2012	53.12	—

##### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
Three months ended June 30, 2013	2,267,705	491,997	21.7
Year ended March 31, 2013	2,169,909	453,885	20.9

(Reference) Shareholders' equity: Three months ended June 30, 2013 491,036 million yen  
Year ended March 31, 2013 453,905 million yen

#### 2. Dividends

	Cash dividends per share				
	Record date				Annual
	Jun. 30	Sep. 30	Dec. 31	Mar. 31	
	yen	yen	yen	yen	yen
Year ended March 31, 2013	—	35.00	—	35.00	70.00
Year ending March 31, 2014	—				
Year ending March 31, 2014 (forecasts)		35.00	—	35.00	70.00

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

### 3. Consolidated Earnings Forecasts for the Year Ending March 31, 2014 (From April 1, 2013 to March 31, 2014)

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

	Operating revenues		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Six months ending Sep 30, 2013	331,000	2.7	27,000	(15.6)	21,000	(16.0)	16,000	0.4	106.63
Year ending March 31, 2014	684,000	4.3	59,000	8.1	47,000	4.9	35,000	17.4	233.25

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

### 4. Other Information

- (1) Principal subsidiaries subject to changes: None
- (2) Application of accounting methods which are exceptional for quarterly consolidated financial statements: None
- (3) Changes in accounting policies, accounting estimates and restatement of corrections
  - 1) Changes in accounting policies due to revisions of accounting standards etc.: None
  - 2) Changes in accounting policies except 1): None
  - 3) Changes in accounting estimates: None
  - 4) Restatement of corrections: None
- (4) Number of shares issued (common stock)
  - 1) Number of shares issued at the end of the period (including treasury stock)
 

Three months ended June 30, 2013:	166,569,600
Year ended March 31, 2013:	166,569,600
  - 2) Treasury stock at the end of the period
 

Three months ended June 30, 2013:	16,517,631
Year ended March 31, 2013:	16,517,290
  - 3) Average number of shares outstanding during the period
 

Three months ended June 30, 2013:	150,052,125
Three months ended June 30, 2012:	150,052,786

\* Presentation for quarterly review procedures

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

\* Forward-looking statements and other special notes

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

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## 1. Qualitative Information on Consolidated Financial Results

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

#### 1) Electricity Sales Volume

In the wholesale electric power business, electricity sales volume from hydroelectric power plants for the three months ended June 30, 2013 showed 18.6% year-on-year decrease at 2.2 TWh. This was mainly due to a decrease in the water supply rate from 110% in the same period of the previous fiscal year to 91%. In thermal power, an increase in the load factor of thermal power plants from 60% to 64% resulted in 6.5% increase in electricity sales volume from the same period of the previous fiscal year to 11.0 TWh. As a result, total electricity sales volume from both hydroelectric and thermal power plants in the wholesale electric power business increased 1.1% from the same period of the previous fiscal year to 13.2 TWh. Electricity sales volume in the other electric power businesses decreased 1.7% from the same period of the previous fiscal year to 0.4 TWh, due to a lower load factor of IPPs and power plants for PPSs (power producers and suppliers) etc. As a result, electricity sales volume in the electric power business as a whole increased 1.1% from the same period of the previous fiscal year to 13.7 TWh.

Also, electricity sales volume in the overseas business showed 0.3 TWh, due to the commencement of commercial operation of three SPP (Small Power Producer) projects in Thailand from January of this year.

#### 2) Overview of Income and Expenditures

As for hydroelectric power business, a decrease in water supply rate resulted in a decrease in revenues from the previous fiscal year. However, revenues from wholesale electric power business increased due to an increase of the load factor in the thermal power plants. Sales (operating revenues) including revenues from other business increased 10.0% from the same period of the previous fiscal year to 161.8 billion yen. Furthermore, total ordinary revenue including non-operating revenues for the three months also increased 11.2% to 168.0 billion yen from the same period of the previous fiscal year.

At the same time, despite a decrease in depreciation expenses due to progress in fixed rate depreciation as well as a decrease in repair expenses accompanying periodic inspections and others, operating expenses increased 5.1% compared to the same period of the previous fiscal year to 139.5 billion yen. That was mainly due to an increase in fuel costs arising from increase in thermal power sales volume. In addition, total ordinary expenses including non-operating expenses for the three months increased 5.9% to 147.2 billion yen from the same period of the previous fiscal year.

As a result, ordinary income increased 71.9% from the same period of the previous fiscal year to 20.8 billion yen and net income after corporate tax increased 104.8% from the same period of the previous fiscal year to 16.3 billion yen.

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

Total assets increased 97.7 billion yen from the end of the previous fiscal year to 2.2677 trillion yen despite a decrease in noncurrent assets accompanying progress in depreciation. This was due largely to an increase in capital investment in projects under development in Thailand.

At the same time, total liabilities increased 59.6 billion yen from the end of the previous fiscal year to 1.7757 trillion yen. Within this amount, interest-bearing debt increased 46.0 billion yen to 1.5690 trillion yen from the end of the previous fiscal year. Non-recourse loans account for 192.7 billion yen of the interest-bearing debt.

Furthermore, total net assets increased 38.1 billion yen from the end of the previous fiscal year to 491.9 billion yen, due mainly to the posting of net income for the three months and an increase in foreign translation adjustments. As a result, the shareholders' equity ratio increased from 20.9% at the end of the previous fiscal year to 21.7%.

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

There is no change in our earnings forecasts announced in April 2013.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Unit: million yen)

	As of Mar. 31, 2013	As of Jun. 30, 2013
<b>Assets</b>		
Noncurrent assets	1,975,202	2,049,503
Electric utility plant and equipment	1,058,849	1,048,893
Hydroelectric power production facilities	363,437	362,277
Thermal power production facilities	387,957	380,820
Internal combustion engine power production facilities	3,956	3,882
Renewable power production facilities	31,358	30,698
Transmission facilities	185,754	183,495
Transformation facilities	30,608	30,913
Communication facilities	8,638	8,256
General facilities	47,137	48,550
Other noncurrent assets	118,840	175,081
Construction in progress	464,674	468,721
Construction and retirement in progress	464,674	468,721
Nuclear fuel	59,769	65,324
Nuclear fuel in processing	59,769	65,324
Investments and other assets	273,067	291,483
Long-term investments	202,464	223,365
Deferred tax assets	47,234	44,131
Other	24,416	25,107
Allowance for doubtful accounts	(1,047)	(1,119)
Current assets	194,707	218,201
Cash and deposits	49,283	55,511
Notes and accounts receivable-trade	61,644	66,315
Short-term investments	402	302
Inventories	38,160	41,510
Deferred tax assets	7,423	6,461
Other	37,847	48,155
Allowance for doubtful accounts	(54)	(54)
<b>Total assets</b>	<b>2,169,909</b>	<b>2,267,705</b>

(Unit: million yen)

	As of Mar. 31, 2013	As of Jun. 30, 2013
<b>Liabilities</b>		
Noncurrent liabilities	1,402,287	1,446,849
Bonds payable	694,930	714,933
Long-term loans payable	608,977	633,780
Lease obligations	982	1,073
Provision for retirement benefits	59,012	56,214
Other provision	36	41
Asset retirement obligations	3,971	4,752
Deferred tax liabilities	7,801	9,411
Other	26,574	26,640
Current liabilities	313,311	328,565
Current portion of noncurrent liabilities	196,999	188,918
Short-term loans payable	18,475	24,654
Commercial papers	3,999	5,999
Notes and accounts payable-trade	25,049	26,515
Accrued taxes	10,811	7,138
Other provision	273	230
Asset retirement obligations	1,495	1,631
Deferred tax liabilities	3	4
Other	56,202	73,472
Reserves under the special laws	425	293
Reserve for fluctuation in water levels	425	293
<b>Total liabilities</b>	<b>1,716,024</b>	<b>1,775,707</b>
<b>Net assets</b>		
Shareholders' equity	460,673	471,748
Capital stock	152,449	152,449
Capital surplus	81,849	81,849
Retained earnings	289,639	300,715
Treasury stock	(63,265)	(63,266)
Accumulated other comprehensive income	(6,768)	19,287
Valuation difference on available-for-sale securities	4,855	8,170
Deferred gains or losses on hedges	(6,929)	(6,208)
Foreign currency translation adjustment	(4,693)	17,325
Minority interests	(19)	960
<b>Total net assets</b>	<b>453,885</b>	<b>491,997</b>
<b>Total liabilities and net assets</b>	<b>2,169,909</b>	<b>2,267,705</b>

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

Consolidated statements of income

(Unit: million yen)

	Three Months ended Jun. 30, 2012	Three Months ended Jun. 30, 2013
Operating revenue	147,144	161,811
Electric utility operating revenue	136,784	146,584
Other business operating revenue	10,359	15,227
Operating expenses	132,817	139,529
Electric utility operating expenses	120,064	122,181
Other business operating expenses	12,752	17,347
Operating income	14,326	22,282
Non-operating income	3,980	6,276
Dividends income	655	759
Interest income	449	204
Equity in earnings of affiliates	2,522	4,754
Other	353	556
Non-operating expenses	6,168	7,688
Interest expenses	5,375	5,840
Other	792	1,848
Total ordinary revenue	151,125	168,087
Total ordinary expenses	138,986	147,217
Ordinary income	12,138	20,870
Provision or reversal of reserve for fluctuation in water levels	3	(132)
Provision of reserve for fluctuation in water levels	3	-
Reversal of reserve for fluctuation in water levels	-	(132)
Extraordinary income	-	2,507
Insurance income	-	2,507
Income before income taxes and minority interests	12,135	23,509
Income taxes-current	1,855	3,668
Income taxes-deferred	2,467	3,662
Total income taxes	4,323	7,330
Income before minority interests	7,811	16,179
Minority interests in loss	(159)	(149)
Net income	7,971	16,328

Consolidated statements of comprehensive income

(Unit: million yen)

	Three Months ended Jun. 30, 2012	Three Months ended Jun. 30, 2013
Income before minority interests	7,811	16,179
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,295)	3,313
Deferred gains or losses on hedges	(2,188)	738
Foreign currency translation adjustment	5,526	13,570
Share of other comprehensive income of associates accounted for using equity method	5,736	8,795
Total other comprehensive income	6,778	26,418
Comprehensive income	14,590	42,597
(Comprehensive income attributable to abstract)		
Comprehensive income attributable to owners of the parent	14,390	42,384
Comprehensive income attributable to minority interests	199	213

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

There are no applicable items.

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

There are no applicable items.

### 3. Appendixes

[Appendix 1]

#### Revenues and Expenses (Consolidated)

	Three months ended	Three months ended	(B) – (A)	(B-A)/A
	June 30, 2012 (A)	June 30, 2013 (B)	(B) – (A)	(B-A)/A
	million yen	million yen	million yen	%
Operating revenue	147,144	161,811	14,666	10.0
Electric utility operating revenue	136,784	146,584	9,799	7.2
Electric power sales	123,475	133,388	9,912	8.0
Wholesale power business	117,589	125,919	8,329	7.1
Hydroelectric	28,498	27,404	(1,094)	(3.8)
Thermal	89,090	98,514	9,423	10.6
Other electric power businesses	5,885	7,469	1,583	26.9
Transmission revenues	13,083	12,942	(140)	(1.1)
Other electricity revenues	225	252	27	12.1
Other business operating revenue	10,359	15,227	4,867	47.0
Operating expenses	132,817	139,529	6,711	5.1
Electric utility operating expenses	120,064	122,181	2,117	1.8
Personnel expense	8,284	7,459	(825)	(10.0)
Fuel cost	50,972	57,392	6,420	12.6
Repair expense	15,129	12,819	(2,309)	(15.3)
Consignment cost	7,171	6,693	(478)	(6.7)
Taxes and duties	6,485	6,525	40	0.6
Depreciation and amortization cost	22,223	20,151	(2,072)	(9.3)
Other	9,798	11,139	1,341	13.7
Other business operating expenses	12,752	17,347	4,594	36.0
Operating income	14,326	22,282	7,955	55.5
Non-operating revenue	3,980	6,276	2,295	57.7
Dividend income	655	759	104	15.9
Interest income	449	204	(244)	(54.4)
Equity income of affiliates	2,522	4,754	2,232	88.5
Other	353	556	202	57.4
Non-operating expenses	6,168	7,688	1,519	24.6
Interest expenses	5,375	5,840	464	8.6
Other	792	1,848	1,055	133.1
Total ordinary revenues	151,125	168,087	16,962	11.2
Total ordinary expenses	138,986	147,217	8,231	5.9
Ordinary income	12,138	20,870	8,731	71.9
(Provision for)reversal of reserve for fluctuation in water level	3	(132)	(136)	-
Extraordinary income	-	2,507	2,507	-
Income before income taxes and minority interests	12,135	23,509	11,374	93.7
Income taxes – current	1,855	3,668	1,813	97.7
Income taxes – deferred	2,467	3,662	1,194	48.4
Income before minority interests	7,811	16,179	8,367	107.1
Minority interests in income (loss)	(159)	(149)	9	-
Net income	7,971	16,328	8,357	104.8

## [Appendix 2]

### (1) Generation capacity

(Unit: kW)

	As of June 30, 2012 (A)	As of June 30, 2013 (B)	(B) – (A)
Electric power business	17,702,010	17,649,510	(52,500)
Wholesale electric power business	16,997,500	16,945,000	(52,500)
Hydroelectric	8,570,500	8,556,000	(14,500)
Thermal	8,427,000	8,389,000	(38,000)
Other electric power businesses (*1)	704,510	704,510	-
Overseas business (*2)	-	330,000	330,000
Total	17,702,010	17,979,510	277,500

(\*1) Other electric power businesses include power plants for IPPs and PPSs etc, and wind power.

(\*2) Overseas business includes power plants for SPP projects in Thailand.

### (2) Electricity sales volume and revenues

(Unit: GWh, million yen)

	As of June 30, 2012 (A)		As of June 30, 2013 (B)		(B) – (A)	
	Electricity sales volume	Revenues	Electricity sales volume	Revenues	Electricity sales volume	Revenues
Electric power business	13,593	123,475	13,736	133,388	143	9,912
Wholesale electric power business	13,147	117,589	13,298	125,919	150	8,329
Hydroelectric	2,805	28,498	2,284	27,404	(520)	(1,094)
Thermal	10,342	89,090	11,014	98,514	671	9,423
Other electric power businesses (*1)	445	5,885	438	7,469	(7)	1,583
Overseas business (*2)	-	-	363	3,950	363	3,950
Total	13,593	123,475	14,099	137,339	506	13,863

(\*1) Other electric power businesses include power plants for IPPs and PPSs etc, and wind power.

(\*2) Overseas business includes power plants for SPP projects in Thailand.

### (3) Water supply rate

(Unit: %)

	As of June 30, 2012 (A)	As of June 30, 2013 (B)	(B) – (A)
Water supply rate	110	91	(19)

[Appendix 3]

### Revenues and Expenses (Non-consolidated)

	Three months ended June 30, 2012 (A)	Three months ended June 30, 2013 (B)	(B) – (A)	(B-A)/A
	million yen	million yen	million yen	%
Operating revenue	134,566	140,909	6,342	4.7
Electric utility operating revenue	131,664	139,524	7,860	6.0
Electric power sales	117,589	125,919	8,329	7.1
Hydroelectric	28,498	27,404	(1,094)	(3.8)
Thermal	89,090	98,514	9,423	10.6
Transmission revenue	13,083	12,942	(140)	(1.1)
Other electricity revenue	990	662	(328)	(33.2)
Incidental business operating revenue	2,902	1,384	(1,517)	(52.3)
Operating expenses	120,990	119,695	(1,294)	(1.1)
Electric utility operating expenses	118,205	118,457	252	0.2
Personnel expense	8,261	7,433	(828)	(10.0)
Fuel cost	48,254	54,628	6,374	13.2
Repair expense	15,633	12,257	(3,376)	(21.6)
Taxes and duties	6,279	6,291	11	0.2
Depreciation and amortization cost	22,016	19,907	(2,109)	(9.6)
Other	17,758	17,939	180	1.0
Incidental business operating expenses	2,785	1,237	(1,547)	(55.6)
Operating income	13,575	21,213	7,637	56.3
Non-operating revenue	3,658	5,138	1,479	40.4
Non-operating expenses	5,593	5,620	27	0.5
Financial expenses	4,991	4,973	(17)	(0.4)
Other	601	646	44	7.4
Total ordinary revenue	138,225	146,047	7,822	5.7
Total ordinary expenses	126,584	125,316	(1,267)	(1.0)
Ordinary income	11,641	20,730	9,089	78.1
(Provision for) reversal of reserve for fluctuation in water level	3	(132)	(136)	-
Income before income taxes	11,637	20,863	9,226	79.3
Income taxes – current	1,262	2,345	1,083	85.8
Income taxes – deferred	2,027	3,308	1,281	63.2
Net income	8,347	15,209	6,861	82.2