This is an English translation of the Financial Results (*Kessan Tanshin*) filed with the Tokyo Stock Exchange on April 28, 2017. Please note that if there is any discrepancy, the original Japanese version will take priority.

(English Translation)

Financial Results (Unaudited)

(for the Year Ended March 31, 2017)

April 28, 2017

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

Listed exchange: Tokyo Stock Exchange (Code: 9513)
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Scheduled date of the Ordinary General Meeting of Shareholders:	June 28, 2017
Scheduled date of dividend payment commencement:	June 29, 2017
Scheduled date for filing of annual securities report:	June 29, 2017
Preparation of supplementary explanations of financial results:	Yes
Financial results presentation held:	Yes (for institutional investors and securities analysts)

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

1. Consolidated Financial Results (From April 1, 2016 to March 31, 2017)

(1) Consolidated Operating Results

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

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2017	744,402	(4.6)	81,726	(7.0)	67,150	14.7	41,429	3.4
Year ended March 31, 2016	780,072	3.9	87,915	19.6	58,538	(1.3)	40,081	(7.1)

(Note) Comprehensive income: Year ended March 31, 2017 62,004 million yen - %
Year ended March 31, 2016 (3,748) million yen - %

	Earnings per share	Fully diluted earnings per share
	yen	yen
Year ended March 31, 2017	226.33	—
Year ended March 31, 2016	218.97	—

	Ratio of earnings to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to operating revenues
	%	%	%
Year ended March 31, 2017	6.0	2.6	11.0
Year ended March 31, 2016	5.9	2.3	11.3

(Reference) Share of profit of entities accounted for using equity method:
Year ended March 31, 2017 13,258 million yen
Year ended March 31, 2016 10,889 million yen

(Note) Accounting policies were partially changed from the year ended March 31, 2017 and the figures for the year ended March 31, 2016 reflect retroactive application of the change. For the details, please refer to "Inclusion of loan interest in asset acquisition cost" under "Changes in Accounting Policies, Changes in Accounting Quotation and Representation of Corrections" on page 23.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2017	2,606,285	764,019	27.8	3,954.22
Year ended March 31, 2016	2,540,723	675,433	26.2	3,641.59

(Reference) Shareholders' equity: As of March 31, 2017 723,819 million yen
As of March 31, 2016 666,593 million yen

(Note) Accounting policies were partially changed from the year ended March 31, 2017 and the figures for the year ended March 31, 2016 reflect retroactive application of the change. For the details, please refer to "Inclusion of loan interest in asset acquisition cost" under "Changes in Accounting Policies, Changes in Accounting Quotation and Representation of Corrections" on page 23.

(3) Consolidated Statement of Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
Year ended March 31, 2017	115,440	(137,663)	30,461	168,454
Year ended March 31, 2016	146,130	(131,541)	(88,632)	159,949

(Note) Accounting policies were partially changed from the year ended March 31, 2017 and the figures for the year ended March 31, 2016 reflect retroactive application of the change. For the details, please refer to "Inclusion of loan interest in asset acquisition cost" under "Changes in Accounting Policies, Changes in Accounting Quotation and Representation of Corrections" on page 23.

2. Dividends

	Cash dividends per share					Total amount of dividends	Dividend pay-out ratio	Ratio of dividends to net assets
	Record date				Annual			
	Jun. 30	Sep. 30	Dec. 31	Mar. 31				
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 31, 2016	―	35.00	―	35.00	70.00	12,813	32.0	1.9
Year ended March 31, 2017	―	35.00	―	35.00	70.00	12,813	30.9	1.8
Year ending March 31, 2018 (forecasts)	―	35.00	―	35.00	70.00		27.9	

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2018 (From April 1, 2017 to March 31, 2018)

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

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2018	798,000	7.2	82,000	0.3	66,000	(1.7)	46,000	11.0	251.30

4. Other Information

(1) Principal subsidiaries subject to changes: None

(2) Changes in accounting policies, accounting estimates and restatement of corrections

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

2) Changes in accounting policies except 1): Yes

3) Changes in accounting estimates: Yes

4) Restatement of corrections: None

Note: For the details, please refer to “Changes in Accounting Policies, Changes in Accounting Quotation and Representation of Corrections” on page 23.

(3) Number of shares issued (common stock)

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

Year ended March 31, 2017:	183,051,100
Year ended March 31, 2016:	183,051,100

2) Treasury stock at the end of the period

Year ended March 31, 2017:	1,331
Year ended March 31, 2016:	1,191

3) Average number of shares outstanding during the period

Year ended March 31, 2017:	183,049,856
Year ended March 31, 2016:	183,050,113

[Reference]

1. Non-consolidated Financial Results (From April 1, 2016 to March 31, 2017)

(1) Non-consolidated Operating Results

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

	Operating revenue		Operating income		Ordinary income		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2017	522,460	(5.4)	27,630	(33.5)	56,470	40.6	51,552	67.3
Year ended March 31, 2016	552,341	(1.0)	41,570	(8.0)	40,174	39.1	30,820	37.6

	Profit per share	Fully diluted profit per share
	yen	yen
Year ended March 31, 2017	281.63	―
Year ended March 31, 2016	168.37	―

(Note) Accounting policies were partially changed from the year ended March 31, 2017 and the figures for the year ended March 31, 2016 reflect retroactive application of the change.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2017	2,060,881	562,192	27.3	3,071.25
Year ended March 31, 2016	1,985,248	517,867	26.1	2,829.10

(Reference) Shareholders' equity: Year ended March 31, 2017 562,192 million yen
Year ended March 31, 2016 517,867 million yen

(Note) Accounting policies were partially changed from the year ended March 31, 2017 and the figures for the year ended March 31, 2016 reflect retroactive application of the change.

2. Non-consolidated Earnings Forecasts for the Year Ending March 31, 2018 (From April 1, 2017 to March 31, 2018)

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

	Operating revenue		Operating income		Ordinary income		Profit		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2018	591,000	13.1	30,000	8.6	41,000	(27.4)	37,000	(28.2)	202.13

<u>* This financial results is out of the scope of review procedures pursuant to the Financial Instruments and Exchange Act</u>

<u>* Forward-looking statements and other special notes</u>

- 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. For the details of earnings forecasts for the year ending March 2018, please refer to page 4.
- The supplementary explanation material is available on our website at http://www.jpower.co.jp/english/ under the investor relations section.

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1. Operating Results and Financial Position (Consolidated)

Accounting policies regarding “Inclusion of loan interest in asset acquisition cost” were changed from this fiscal year, and the comparison with the previous fiscal year is based on figures after retroactively applying the change.

(1) Operating Results

1) Electricity Sales Volume

In the electric power business, electricity sales volume from hydroelectric power plants for the current fiscal year showed 17.6% decrease to 8.5 TWh, due mainly to the decrease of water supply rate from 111% in the previous fiscal year to 92%. In thermal power, a decrease in the load factor of thermal power plants of J-POWER (non-consolidated) from 80% to 75% resulted in 4.9% decrease in electricity sales volume from the previous fiscal year to 53.5TWh. Mainly due to these factors, total electricity sales volume in the electric power business decreased 6.7% from the previous fiscal year to 62.7TWh.

Electricity sales volume in the overseas business increased 5.7% from the previous fiscal year to 14.6 TWh. This was mainly due to the operation of U-Thai IPP project in Thailand, which commenced commercial operation in 2015 (unit No.1 in June 2015, unit No.2 in December 2015), throughout the term.

2) Overview of Income and Expenditures

Sales (operating revenues) decreased 4.6% from the previous fiscal year to 744.4 billion yen mainly due to the decline of the fuel price and the decrease of the load factor of thermal power plants in the electric power business. Total ordinary revenue including non-operating income also decreased 4.1% from the previous fiscal year to 764.9 billion yen.

In spite of the increase of retirement benefit expenses, operating expenses resulted in 4.3% decrease from the previous fiscal year to 662.6 billion yen mainly due to the decrease of fuel costs associated with the decline of the fuel price and the decrease of the load factor of thermal power plants, in addition to the decrease of depreciation and amortization costs as a result of J-POWER’s change of the depreciation and amortization method (from declining-balance method to straight-line method) from this fiscal year. Non-operating expenses also decreased 25.7% from the previous fiscal year to 35.1 billion yen mainly due to the elimination of foreign exchange losses. Total ordinary expenses decreased 5.6% from the previous fiscal year to 697.7 billion yen reflecting these factors.

As a result, ordinary income increased 14.7% from the previous fiscal year to 67.1 billion yen and profit attributable to owners of parent after corporate income tax increased 3.4% from the previous fiscal year to 41.4 billion yen. Results for the reportable segments for the current fiscal year are as follows.

(Electric Power Business)

Sales (electric utility operating revenue) decreased 5.6% from the previous fiscal year to 540.2 billion yen mainly due to the decline of the fuel price and the decrease of the load factor of thermal power plants.

Segment income decreased 31.1% from the previous fiscal year to 22.2 billion yen due mainly to the decrease in sales and the increase of retirement benefit expenses.

(Electric Power Related Business)

Sales (other business operating revenue) resulted in 357.3 billion yen, the same level of the previous fiscal year.

Segment income decreased 1.5% from the previous fiscal year to 14.2 billion yen due mainly to posting of impairment loss for machinery in a coal mine.

(Overseas Business)

Sales (overseas business operating revenue) decreased 3.9% from the previous fiscal year to 149.8 billion yen due mainly to the decline of the fuel price and the stronger yen, in spite of the increase in electricity sales volume.

Segment income increased 172.0% from the previous fiscal year to 31.2 billion yen due mainly to the operation of U-Thai IPP project in Thailand throughout the term and the elimination of foreign exchange losses.

(Other Business)

Sales (other business operating revenue) increased 4.0% from the previous fiscal year to 23.9 billion yen.

Segment income increased 69.9% from the previous fiscal year to 1.3 billion yen due mainly to the increase in sales.

(2) Financial Position

Total assets increased 65.5 billion yen from the end of the previous fiscal year to 2.6062 trillion yen due mainly to the increase in non-current assets.

Total liabilities decreased 23.0 billion yen from the end of the previous fiscal year to 1.8422 trillion yen. Of this amount, interest-bearing debt decreased 8.7 billion yen from the end of the previous fiscal year to 1.6200 trillion yen. Non-recourse loans in overseas business accounted for 294.7 billion yen of interest-bearing debt.

Total net assets increased 88.5 billion yen from the end of the previous fiscal year to 764.0 billion yen, due mainly to posting of profit attributable to owners of parent. The shareholders' equity ratio increased from 26.2% at the end of the previous fiscal year to 27.8%.

(3) Cash Flow

(Cash flows from operating activities)

Cash inflow from operating activities decreased 30.6 million yen from the previous fiscal year to 115.4 billion yen due mainly to the decrease in depreciation and amortization cost in addition to the increase in notes and accounts receivable-trade.

(Cash flows from investing activities)

Cash outflow from investment activities increased 6.1 billion yen from the previous fiscal year to 137.6 billion yen due mainly to the acquisition of an additional interest in Elwood Power Plant in the U.S.

(Cash flows from financing activities)

Cash flows from financing activities reversed from outflow of 88.6 billion yen in the previous fiscal year to inflow of 30.4 billion yen due mainly to the increase in funds procurement by corporate bonds, in addition to the transfer of part of shares in a consolidated subsidiary.

As a result of these activities, cash and cash equivalents as of March 31, 2017 increased 8.5 billion yen from the end of the previous fiscal year to 168.4 billion yen.

(Reference) Trends in Cash Flow Indicators

	Year ended Mar. 31, 2013	Year ended Mar. 31, 2014	Year ended Mar. 31, 2015	Year ended Mar. 31, 2016	Year ended Mar. 31, 2017
Equity ratio	20.9%	21.6%	25.9%	26.2%	27.8%
Equity ratio based on market capitalization	17.1%	18.3%	27.9%	25.3%	18.3%
Years of debt redemption	12.7 years	13.5 years	11.7 years	11.1 years	14.0 years
Interest coverage ratio	5.5	4.9	5.2	4.8	3.8

Notes:

Equity ratio: (Net assets – Non-controlling interests) / Total assets
Equity ratio based on market capitalization: Market capitalization / Total assets
Years of debt redemption: Interest-bearing debts / Operating cash flow
Interest coverage ratio: Operating cash flow / Interest payments

(*) All figures are based on the consolidated financial data.
Interest-bearing debt covers all debts on which interest has been paid among debts recorded on the consolidated balance sheets. In addition, the calculation of interest payments is based on the amount of interest paid in accordance with the consolidated statement of cash flow.

(4) Earnings Forecasts

In the earnings forecasts for the fiscal year ending March 2018, electric power sales volumes are estimated taking into account of water supply rate for normal year in hydroelectric power, schedule of periodic inspections in thermal power and power generating plans in Thailand in overseas business. As a result, operating revenue is expected to increase 7.2% from the fiscal year ended March 31, 2017 to 798 billion yen. Operating income and ordinary income are expected to result in the same level as the fiscal year ended March 31, 2017, 82 billion yen and 66 billion yen respectively. Profit attributable to owners of parent is expected to increase 11.0% to 46 billion yen.

Electricity sales volume and other factors

			Year ended Mar. 31, 2017	Year ending Mar. 31, 2018
Electric Power Business	Hydroelectric	Electricity sales volume (TWh)	8.5	9.0
		Water supply rate (%)	92	100
	Thermal	Electricity sales volume (TWh)	53.5	54.6
		Load factor* (%)	75	77
	Wind	Electricity sales volume (TWh)	0.7	0.8
Overseas Business		Electricity sales volume (TWh)	14.6	10.7

*Load factor of thermal power of J-POWER (non-consolidated)

Foreign exchange rate

	Year ended Mar. 31, 2017	Year ending Mar. 31, 2018
Yen/US$ (Average foreign exchange rate)	108	115
Yen/THB (Foreign exchange rate at the end of Dec.)	3.24	3.2

(5) Basic Policy Regarding Distribution of Profits; Current and Following Period Dividends

The most prominent characteristic of our business is that we secure returns on investment in power plants and other infrastructure through the long-term operation of these facilities, utilizing our expertise on long-term project management including the construction of power plants and other infrastructure. We continuously direct internal reserves to investment in business for further growth, and at the same time, we proceed to increase shareholders' equity in order to enhance financial strength.

In returning profit to our shareholders, we place the utmost importance on maintaining stable dividends in line with the characteristics of our business. Through long-term initiatives we will also work to enhance returns to shareholders in step with efforts to raise corporate value and achieve further growth in a sustainable manner.

We plan to pay a year-end dividend of 35 yen per share. Combined with the interim dividend of 35 yen per share, the total annual dividend payout will be 70 yen per share. For the year ending March 2018 we also intend to provide an annual payout of 70 yen per share (including an interim dividend of 35 yen).

(6) Business Risks

This section discusses the main potential risks related to J-POWER's financial position, business results, current and future business operations, and other matters. References to matters relating to future operations and events reflect judgment made on the basis of available information current at the time of the publication date of this document (April 28, 2017). From the perspective of actively disclosing information to investors, this section also provides information to help investors understand business and other risks that the company does not necessarily consider significant. Except where a different interpretation is specified, the comments below are framed in consolidated terms, and the terms "J-POWER" and "the Company" include its consolidated subsidiaries and its affiliated companies accounted for by the equity method (stipulated in the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976)).

1) Impact of Reforms in the Electric Power Business on J-POWER's Electricity Rates Income and its Business

The Policy on Electricity System Reform was approved by the Cabinet in April 2013, which has brought about drastic changes to the business environment surrounding J-POWER. As a result of amendments to the Electricity Business Act, participation in the retail of electric power was fully liberalized in April 2016, while at the same time, regulations on the wholesale electricity utilities (regulation on business permits and rates) were repealed. Further, legal unbundling of transmission and distribution divisions in former EPCOs, as well as J-POWER, is requested with an approximate deadline of 2020. Further, after the legal unbundling of transmission and distribution divisions, there are plans to review the regulation on electricity retail rates (graduated measure) for the former EPCOs.

With the revision of electric power business types in the system reform, J-POWER has changed from a wholesale electricity utility as prescribed in the Electricity Business Act prior to amendment to an electricity utility that conducts power generation and transmission businesses. Rates regulation based on the cost basis was repealed and rates related to the power generation business are now determined upon consultation with customers based on market competition. Rates related to the transmission business will remain regulated to maintain a healthy transmission and distribution network system, and the rate system will be based on the cost basis.

Since the majority of J-POWER's operating revenue comprises rate income from domestic sales to the former EPCOs, we are proceeding with appropriate rates consultations with customers who are primarily the former EPCOs so that our power generation business receives adequate assessment, where market competition in power generation business will be promoted, while proceeding to diversify customers and trade with the Japan Electric Power Exchange (JEPX).

Still, in the case that there are major changes to the business plan and operation due to shifts in long-term electricity demand, further market competition, consultations with customers, faults with facilities, or legislation, causing inability to secure revenue that covers power generation costs, such a situation may adversely affect our performance.

2) Global Warming

J-POWER owns many coal-fired thermal power plants that emit a relatively higher level of CO2 with respect to power output compared to power plants using other fossil fuels such as LNG, and has been working with initiatives for high-efficiency and low carbon coal-fired thermal power. Also, we have been engaging in extended introduction of CO2-free power sources, such as renewable energies and developing a nuclear power plant. Further, based on the "Low-carbon Society Action Plan in Electric Power Business" established by electricity utilities including J-POWER in July 2015, we will maximally endeavor to achieve targets as an entire electric power industry.

However, where new legislation is introduced on global warming measures in the future, causing major changes to the business plan or operation, this may adversely affect the performance of the Company.

3) New businesses in and outside Japan including overseas power generation business

J-POWER aims to build a new revenue platform by engaging in new electric power businesses domestically and overseas, including the overseas power generation business.

Specifically, in overseas power generation business, J-POWER has been engaging in consulting business in various countries and will utilize this experience toward Independent Power Producer (IPP) projects.

Also, in domestic electric power generation business, we are proceeding with new development of high-efficiency coal-fired thermal power plants as well as power generation businesses utilizing wind, geothermal, waste and other renewable energies.

However, these businesses may not produce as much revenue as J-POWER anticipates, depending on unforeseen major changes in conditions, changes to demand or market environment, or regulatory changes. Also, where business plans change or businesses and construction are cancelled due to such circumstances, related expenses may arise or additional fund may be necessary, which may negatively impact our performance. Furthermore, some of these businesses are operated as a joint venture with a third party, and there may exist such cases where joint venture formats are revised due to changes in the business environment or J-POWER remains as a minority equity owner in the joint venture format and thus unable to engage in management and administration. In such cases, the results of the joint venture may not beneficially impact our performance. Finally, there are currency risks as well as risks related to political unrest in the relevant nation (country risk) for overseas business.

4) Capital Funds

J-POWER has invested significant amount of funds in power plants and others thus far, raising the funds mainly through loans and issuing corporate bonds. We anticipate the need to raise funds in the future to invest in domestic and overseas new projects such as Ohma Nuclear Power Plant and Takehara New Unit No. 1 Thermal Power Plant, and to repay existing obligations. If we are unable to raise the required funds on acceptable terms and in a timely manner due to the prevailing conditions in the financial markets, our credit situation, or other factors at that time, then this could potentially have a materially adverse effect on our business development and profitability.

5) Ohma Nuclear Power Plant

With regard to Ohma Nuclear Power Plant Project, the Japan Atomic Energy Commission concluded in the August 1995 decision that the plant has a policy-oriented role in enhancing flexibility of the plan to use MOX (uranium-plutonium mixed oxide) fuel in light water reactors because the plant adopts an advanced boiling water reactor with a view to using MOX fuel for the entire core (full MOX-ABWR). In addition, the commission expected the implementation of the plan not only by J-POWER who has primary responsibility but also under the auspices of the government and EPCOs. Accordingly, under a government's guideline, the Company receives an R&D grant for the use of MOX fuel for the entire reactor core. Furthermore, the Company has already concluded basic agreements with nine former EPCOs, excluding The Okinawa Electric Power Company, that require the nine former EPCOs to purchase the total amount of electricity at fair cost.

As a nuclear power plant using MOX fuel for the entire core, Ohma Nuclear Power Plant Project received consent from the local municipality of Ohma as well as Aomori Prefecture and was included by the Electric Power Development Coordination Council in the national Electric Power Development Master Plan as laid out by the Electric Power Development Promotion Act in August 1999. (The Electric Power Development Promotion Act was abolished in October 2003 and the system of the Electric Power Development Master Plan ended. The functions of the plan were taken on by the major power development site designation system, under which the project received site designation in February 2005.) In April 2008, the nuclear reactor installation permit was granted, and, in May of the same year, upon the initial approval of the construction work plan by the Minister of Economy, Trade and Industry, construction began. At that time, planned construction costs were 469.0 billion yen. Construction was suspended immediately after the Great East Japan Earthquake struck in March 2011 but was resumed in October 2012.

On December 16, 2014, J-POWER submitted to Nuclear Regulation Authority (NRA) an application for permission for alteration of reactor installment license and an application for construction plan approval in order to undertake review of compliance with the new safety standards for nuclear power plants enforced in July 2013. Specific examples of the wide-ranging measures include the raising of assumptions and enhancement of countermeasures with regard to earthquakes and tsunamis as design basis measures to prevent severe accidents, combined with the implementing of measures to prevent damage to the core and the containment vessel as severe accident countermeasures newly drawn up under the New Safety Standards. Furthermore, as terrorism countermeasures, such as the deliberate crashing of an aircraft, we have decided to install the specified severe accident response facility that will enable reactor decompression and other functions to be controlled remotely to inhibit the abnormal release of radioactive material outside due to damage sustained by the reactor containment vessel. The construction work for the additional safety enhancement measures compiled in the above-mentioned application will commence following confirmation that the content of the Company's application conforms to New Safety Standards when reviewed by the NRA. The Company forecasts that the additional construction work will cost approximately 130.0 billion yen. Moving forward, through sincerely and appropriately responding to compliance reviews by NRA and steadily implementing necessary safety measures, we will make best efforts to construct a safe plant.

While it is impossible to predict the progress of the compliance review as an examinee, we aim to start construction work of the additional safety enhancement measures in the latter half of 2018 and complete it in the latter half of 2023. It should be noted that the construction work schedule for the additional safety enhancement measures may be extended depending on changes surrounding the nuclear power business, the status of reviews by the NRA, and additional correspondence to the New Safety Standards. Also, there is a possibility of increased construction expense and occurring of relevant expense in such events. In addition, nuclear power generation involves various risks, such as risks of revisions of plan due to significant change in conditions around nuclear power business caused by review of government's nuclear policy, further progress of market competition or unexpected circumstances, also those associated with the storage and handling of radioactive materials, as well as risks other electric power plants are exposed to, such as natural disasters and unforeseen accidents after operations have commenced (please refer to " 7) Natural Disasters and Accidents"). J-POWER intends to ensure that these risks are avoided or minimized. However, if any of these risks should eventuate, it could adversely affect the business performance of the Company.

6) Coal-Fired Thermal Power Plant Fuel

J-POWER's coal-fired thermal power plants use imported coal as their main source of fuel. In procuring imported coal, the Company purchases coal from diverse sources in Australia, Indonesia, Russia, and elsewhere to seek both stable and economical supply. In addition, the Company holds interests in some coal mines aiming for stable coal supply. The Company's imported coal procurement is handled mainly under long-term or approximately one-year contracts, with spot purchasing to fill gaps as necessary. Coal purchase prices under long-term contracts are normally adjusted once per year in light of market prices.

The Company's fuel cost is impacted by such factors as changes in imported coal prices, supply and demand for transport vessels, and problems with the facilities or operations of suppliers. According to the power purchase agreements with customers for major coal-fired thermal power plants, the electricity rates corresponding to fuel price properly reflect market conditions relating to fuel procurement. As a result, fluctuations in fuel cost have a limited impact on business performance of J-POWER. However, if coal prices rise sharply, there will be a delay before the rise in fuel prices is reflected in electricity rates. This could have a temporary adverse effect on our performance. Furthermore, should a significant fall in coal prices have a significant effect on the performance of the mines in which the Company holds an interest, the Company's performance could also be adversely affected.

7) Natural Disasters and Accidents

Should a natural disaster, human error, terrorist activity, fuel supply stoppage, or other unforeseen circumstance result in a major disruption of one of J-POWER's power plants or transmission or transformation facilities, or should such an event disrupt the information systems that control operations at these facilities, this could potentially hamper our business operations and consequently have an adverse effect on the surrounding environment. To prevent accidents at power plants as well as transmission and transformation facilities, which are important infrastructure for Japan, to ensure the safety of involved parties and to preserve the surrounding environment, J-POWER works to establish security and disaster prevention systems, take accident and disaster prevention measures and emergency response and recovery countermeasures, and implement environmental monitoring.

Nevertheless, if an accident or other events were to halt operations of J-POWER's power plants or transmission or transformation facilities, or if an accident or other events were to negatively impact the surrounding environment, the Company's performance could be adversely affected.

8) Regulatory Requirements

Electric power business comprising the majority of J-POWER's business is regulated by the Electricity Business Act.

Due to the Amended Electricity Business Act of June 2014, prior regulations related to wholesale electricity utilities (regulation on business permits and rates) stipulated in the previous act were repealed in April 2016. However, J-POWER will continue to be regulated under the act as an electricity utility that conducts power generation and transmission businesses. Thus, J-POWER is subject to business and safety regulations as well as change and suspension orders derived from such regulations, and also to provisions regarding cancellation of license to operate transmission business. Thus, where we are unable to comply with such laws and regulations, or if such laws or regulations are amended, these may adversely affect our business operations and performance.

Also, based on the concept of mutual aid for nuclear power operators, nuclear power business operators are obligated to contribute to expenses required for Nuclear Damage Compensation and Decommissioning Facilitation Corporation, based on the Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act which aims to build a system that centers on a facilitation organization that can respond to nuclear damage compensation into the future. In relation to Ohma Nuclear Power Plant project that is currently underway, J-POWER will pay contributions once Ohma Nuclear Power Plant commences operation of the nuclear reactor stipulated in the Act on Compensation for Nuclear Damage. Depending on the amount of such contributions, this may adversely affect the performance of the Company.

9) Protection of Sensitive Information

J-POWER holds a large amount of important information that must be kept confidential, including personal information. J-POWER controls this information carefully by implementing information security measures, employee training programs and through other means.

However, a leak of sensitive information outside the Company could adversely affect J-POWER's reputation and business performance.

2. Corporate Group

The J-POWER Group is comprised of J-POWER (parent company), 73 subsidiaries and 103 affiliates (as of March 31, 2017), of which core business is generating business utilizing power plants owned by J-POWER group companies including hydroelectric, thermal and wind. Through our power transmission and transforming facilities we also engage in transmission business, providing transmission services to nine transmission and distribution companies excluding The Okinawa Electric Power Company.

The J-POWER Group's business includes "Electric Power Business" conducted by the parent company, subsidiaries and affilates; "Electric Power Related Business" that complements and contributes to the smooth and efficient implementation of our electric power business; "Overseas Business" that engages in overseas power generation business and businesses related to this; and "Other Business" which consists of various business activities including the sale of coal that fully utilize the Group's management resources and know-how.

There have been no material changes in the business contents of the J-POWER Group during the current fiscal year.

3. Management Policies

(1) Basic Management Policy

Under its corporate philosophy to "meet people's needs for energy without fail, and play our part for the sustainable development of Japan and the rest of the world," J-POWER engages in ongoing initiatives to solidify its position as a sound, growing corporation that is attractive to many stakeholders as it fulfills its mission as a public enterprise. These initiatives include measures to ensure the reliability of our facilities operating in Japan, to promote the transition to a low-carbon society through the development of high-efficiency coal-fired thermal technologies, to further expand our overseas business, particularly in Asia where growth is set to continue, and maintenance of financial integrity to support our various businesses and projects.

Through these initiatives we strive to increase corporate value and meet the expectations of our various stakeholders as we practice fair, transparent management in conducting the affairs of J-POWER.

(2) Current Operating Environment and Key Issues to Address

The business environment for electric power business in Japan is changing on a large scale. These changes include the formulation of the "Long-term Energy Supply-demand Outlook" in July 2015, setting energy source mix targets for renewable energy, nuclear power and coal-fired thermal power, in addition to establishing new CO2 reduction targets for international society. Furthermore, the full-scale liberalization of retail business and abolishment of wholesale regulations came into force in April 2016 and the unbundling of power generation and transmission is scheduled in 2020.

In response to these conditions, J-POWER has established a Medium-term Management Plan (announced in July 31, 2015) to address the challenge of achieving further growth over the next decade by leveraging the increase in capital through the public offering and disposition of treasury shares carried out in March 2015.

In order to achieve further growth among changes in business environment, the Medium-term Management Plan has set three basic directions of our challenge, (1) the creation of a platform for further growth in the domestic market as it undergoes liberalization and in order to survive competition in power generation by being cost competitive, (2) to grow our overseas power generation business to contribute to sustainable development based on the energy circumstances in each region worldwide, and (3) to conduct business in Japan and abroad as a leading company in coal-fired thermal power generation by accelerating the development of technology aimed at reducing carbon emissions of coal-fired thermal power to adapt to measures addressing climate change. Following six specific subjects are the priority initiatives also stipulated in the Medium-term Management Plan.

Under its corporate philosophy to "meet people's needs for energy without fail, and play our part for the sustainable development of Japan and the rest of the world," J-POWER makes efforts to realize further growth and enhancement of its corporate value through initiatives in line with the Medium-term Management Plan.

1) Promotion of Development of High-Efficiency Coal-fired Thermal Power and Technology Aimed at the Next Generation

a) Development of high-efficiency coal-fired thermal power plants in Japan

Coal is widely distributed throughout the world, and is a stable energy source with lower geopolitical risk than oil or gas. In addition, it is the lowest-cost energy imported into and consumed in Japan. J-POWER aims to achieve growth while contributing to growth of the Japanese economy through the development of high-efficiency coal-fired thermal power as an important part of a balanced energy mix.

Major projects under construction or planning

Project (prefecture)	Capacity	Start of operations (Scheduled)
Takehara New Unit No.1 replacement (Hiroshima)	600MW	2020
Takasago New Unit No.1/2 replacement (Hyogo)	2 units of 600MW	New Unit No.1:2021 New Unit No.2: From 2027 on
Kashima Power *1 (Ibaraki)	645MW	2020
Yamaguchi Ube Power *2 (Yamaguchi)	2 units of 600MW class	Unit No.1: 2023 Unit No.2: 2025

*1 Joint venture with Nippon Steel & Sumitomo Metal Corporation
*2 Joint venture with Osaka Gas and Ube Industries

b) Development of technology aimed at higher efficiency and lower carbon emissions

Aiming to continuously use coal while reducing impacts to climate change, J-POWER intends to realize further reductions of carbon emissions through promoting development of more efficient oxygen-blown IGCC technology and R&D initiatives for CCS technology, etc.

As one of such R&D initiatives, J-POWER has established OSAKI CoolGen Corporation (Osakikamijima-cho, Toyota-gun, Hiroshima Prefecture), a joint venture with The Chugoku Electric Power Co., Inc. Trials of the oxygen-blown IGCC technology (Phase 1) have commenced in March 2017. In addition, detailed design of CO2 capture facilities is going forward aiming for commencement of trials of the oxygen-blown IGCC technology with

CO2 capture (Phase 2) in FY2019.

2) Being Competitive in the Market Created by Liberalization and Improvement of Reliability of Facilities

a) Being competitive in the market created by liberalization

Liberalization of domestic electricity business market is progressing in which regulations are relaxed and competition is introduced. Amid intensifying competition in the power generation business caused by abolishment of wholesale regulations and other factors, J-POWER will achieve further growth by being cost competitive. At the same time, we will play the role expected of us to activate the wholesale electricity market essential for a competitive market.

J-POWER will conduct appropriate risk management and pursue increased returns in response to increased volatility in earnings associated with increased market competition.

b) Strengthening of initiatives for stable operation

While volatility in earnings will increase, J-POWER considers ensuring stable operation of power generating facilities is the greatest priority of risk management. We will unceasingly pursue optimization of maintenance and operation of facilities aiming at stable operation and improve the value of facilities

c) Nationwide improvement and maintaining soundness of transmission facilities

The efficient competitive market that is the objective of electricity system reform is supported by a nationwide transmission network functioning soundly. In order to support active market competition in addition to contributing to stable supply of electric power, J-POWER will make further efforts for nationwide improvement of transmission facilities such as interconnecting lines and for ensuring that they function robustly.

Regarding the enhancement plan of the Sakuma frequency converter facility (from 300MW to 600MW) and relative transmission lines formulated by Organization for Cross-regional Coordination of Transmission Operators, Japan, J-POWER has been appointed as an executing body and will make best efforts utilizing its knowledge and experience.

3) Expansion of Renewable Energy

J-POWER will utilize our technological capabilities and continue to be a leader in the business of fully domestically produced and CO2 free energy.

With regard to wind power, J-POWER will steadily promote projects already under development and will also continuously find projects with good wind conditions aiming at expanding business platform, in addition to improving capacity utilization rates through more efficient maintenance and operation resulting in enhancing earnings capability. In the process of public offering for “Hibikinada off-shore wind generating facilities installing and operating entity” conducted by Kitakyushu-city, Fukuoka Prefecture, the consortium including J-POWER has been granted rights of first refusal. We are going to conduct research aiming for materialization.

From its establishment, J-POWER has been producing a large amount of electricity by hydroelectric power, which is fully domestically produced and CO2 free energy, and will promote utilization of hydroelectric power (development of small to medium-scale plants, enhancement of capacity of existing plants by comprehensive renewal of main facilities, etc.)

J-POWER will also promote development of geothermal power, a baseload power source, in addition to take steps to expand the biomass mixed combustion in coal-fired thermal power plants together with initiatives of the biomass fuel production business (from such as sewage sludge) that supports the mixed combustions.

Major projects under construction or planning

Project (prefecture)	Type	Capacity	Start of operations (Scheduled)
Setana-Ohsato (Hokkaido)	Wind	50MW	2019
Nikaho No.2 (Akita) *Tentative name	Wind	41.4MW	2019
Kuzumaki No.2 (Iwate) *Tentative name	Wind	44.6MW	2019
Wasabizawa (Akita) *1	Geothermal	42MW	2019
Onikobe Replacement (Miyagi)	Geothermal	15MW class	2024
Shinkatsurazawa (Hokkaido)	Hydroelectric	16.8MW	2022

*1 Joint venture with Mitsubishi Materials Corporation and Mitsubishi Gas Chemical Company, Inc.

4) Promotion of Ohma Nuclear Power Project Based on the Premise of Safety

J-POWER is promoting construction of Ohma Nuclear Power Plant (1,383MW, period of start of operation is to be determined) which uses uranium-plutonium mixed oxide (MOX) fuel in Ohma-machi, Shimokita-gun, Aomori Prefecture.

This power plant will meet social needs for securing a baseload power source to support stable energy supply and for measures against global warming. It will also play a central role in nuclear fuel cycle by utilizing plutonium. J-POWER continues to promote this project with understanding by peripheral people, on the premise of safety.

On December 16, 2014, we submitted to Nuclear Regulation Authority (NRA) an application for permission for alteration of reactor installment license and an application for construction plan approval in order to undertake review of compliance with the new safety standards for nuclear power plants. Through sincerely and appropriately responding to compliance reviews by NRA and steadily implementing necessary safety measures, we will make best efforts to construct a safe plant and aims at early start of operation.

5) Promotion of Overseas Power Generation Business

J-POWER is now engaging in construction of Central Java IPP project (2,000MW, joint venture with PT. ADARO POWER and ITOCHU Corporation) in Indonesia. As site acquisition and the loan agreement with banks have been already completed, this project is going forward according to the construction plan which aims to commence commercial operation in June 2020 (Unit 1) and in December 2020 (Unit 2).

J-POWER steadily promotes projects under construction and makes efforts to enhance earnings capability in overseas generating business including existing projects. In order to achieve 10GW target for overseas owned capacity mentioned in the Medium-term Management Plan, we aim for acquiring new development projects including high-efficiency coal-fired thermal power projects mainly in Asia where there is burgeoning energy demand. Moreover in the United States, which has an advanced liberalized market and is expected to present abundant business opportunities, J-POWER will aim to expand its business while incorporating diverse forms of sales based on our current business platform.

6) Improvement of Efficiency of Assets by Screening Businesses

While J-POWER aims for growth as a global power generator, unceasing increase of the efficiency of assets is essential to become more endurable to risk amid such changes in business environment as the new Basic Energy Plan, Japan's response to climate change issues, and the advancement of liberalization.

In addition to initiatives 1) through 5), J-POWER will proceed to screen businesses by constantly reassessing their value and promoting initiatives to further increase earnings capability.

(3) Objective Indicators to Monitor Status for Achieving Management Target

We use following objective indicators to monitor status for achieving management target.

Growth indicator : J-POWER EBITDA (Operating income + Depreciation and amortization + Equity in earnings of affiliates)

For J-POWER, which continuously develops large scale power plants, our earning power including recovery of capital investment adequately represents its growth status. In addition, equity in earnings of affiliate largely contributes to our income. Considering these factors, we use J-POWER EBITDA which adds equity in earnings of affiliates to EBITDA (operating income plus depreciation and amortization) as a growth indicator.

Soundness indicator : Interest-bearing Debts / J-POWER EBITDA

While J-POWER continues capital investment aiming for growth, it is necessary to focus on balance between interest-bearing debts and cash flow. In order to pay attention also to financial soundness in addition to growth, we use interest-bearing debts / J-POWER EBITDA as a soundness indicator.

4. Basic Approach Related to the Selection of Accounting Standards

J-POWER Group mainly operates in electric power business and its accounting documents are created following the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976) and the Electric Utility Accounting Regulations (Ordinance of the Ministry of International Trade and Industry No. 57 of 1965).

We will examine the application of IFRS with consideration to future business developments.

5. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Unit: million yen)

	As of Mar. 31, 2016	As of Mar. 31, 2017
Assets		
Non-current assets	2,232,286	2,271,046
Electric utility plant and equipment	948,252	958,754
Hydroelectric power production facilities	343,193	346,037
Thermal power production facilities	313,744	313,198
Internal combustion engine power production facilities	3,754	3,301
Renewable power production facilities	35,960	46,170
Transmission facilities	161,491	157,790
Transformation facilities	29,884	29,598
Communication facilities	8,449	8,186
General facilities	51,772	54,470
Overseas business facilities	357,448	332,010
Other non-current assets	101,827	92,501
Construction in progress	441,080	476,171
Construction and retirement in progress	441,080	476,171
Nuclear fuel	73,447	73,682
Nuclear fuel in processing	73,447	73,682
Investments and other assets	310,231	337,926
Long-term investments	234,506	253,660
Net defined benefit asset	-	2
Deferred tax assets	43,818	40,514
Other	31,950	43,794
Allowance for doubtful accounts	(45)	(45)
Current assets	308,436	335,239
Cash and deposits	87,659	117,240
Notes and accounts receivable-trade	66,312	78,805
Short-term investments	72,410	51,344
Inventories	41,199	47,172
Deferred tax assets	5,268	4,564
Other	35,601	36,129
Allowance for doubtful accounts	(14)	(18)
Total assets	2,540,723	2,606,285

(Unit: million yen)

	As of Mar. 31, 2016	As of Mar. 31, 2017
Liabilities		
Non-current liabilities	1,561,072	1,497,888
Bonds payable	575,079	494,991
Long-term loans payable	867,276	891,200
Lease obligations	479	353
Other provision	89	120
Net defined benefit liability	65,912	58,079
Asset retirement obligations	11,685	11,971
Deferred tax liabilities	18,294	23,387
Other	22,254	17,783
Current liabilities	304,100	344,377
Current portion of non-current liabilities	158,131	208,760
Short-term loans payable	28,009	24,957
Notes and accounts payable-trade	37,033	24,616
Accrued taxes	23,344	19,843
Other provision	265	267
Asset retirement obligations	635	592
Deferred tax liabilities	22	5
Other	56,656	65,333
Reserves under special laws	116	-
Reserve for fluctuation in water levels	116	-
Total liabilities	1,865,289	1,842,266
Net assets		
Shareholders' equity	650,817	689,542
Capital stock	180,502	180,502
Capital surplus	109,902	119,927
Retained earnings	360,418	389,117
Treasury shares	(4)	(5)
Accumulated other comprehensive income	15,775	34,276
Valuation difference on available-for-sale securities	12,516	15,594
Deferred gains or losses on hedges	(14,395)	(2,183)
Foreign currency translation adjustment	30,464	21,295
Remeasurements of defined benefit plans	(12,809)	(430)
Non-controlling interests	8,839	40,200
Total net assets	675,433	764,019
Total liabilities and net assets	2,540,723	2,606,285

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated statement of income

(Unit: million yen)

	Year ended Mar. 31, 2016	Year ended Mar. 31, 2017
Operating revenue	780,072	744,402
Electric utility operating revenue	570,837	538,558
Overseas business operating revenue	155,952	149,888
Other business operating revenue	53,282	55,955
Operating expenses	692,157	662,675
Electric utility operating expenses	506,234	487,766
Overseas business operating expenses	131,605	119,535
Other business operating expenses	54,317	55,374
Operating income	87,915	81,726
Non-operating income	17,871	20,526
Dividend income	2,409	1,689
Interest income	905	1,024
Share of profit of entities accounted for using equity method	10,889	13,258
Other	3,667	4,554
Non-operating expenses	47,248	35,103
Interest expenses	30,495	29,798
Foreign exchange losses	12,888	-
Other	3,865	5,304
Total ordinary revenue	797,944	764,929
Total ordinary expenses	739,405	697,779
Ordinary income	58,538	67,150
Provision or reversal of reserve for fluctuation in water levels	116	-
Provision of reserve for fluctuation in water levels	116	-
Profit before income taxes	58,421	67,150
Income taxes-current	12,821	18,634
Income taxes-deferred	5,059	2,847
Total income taxes	17,880	21,482
Profit	40,540	45,667
Profit attributable to non-controlling interests	459	4,238
Profit attributable to owners of parent	40,081	41,429

Consolidated statement of comprehensive income

(Unit: million yen)

	Year ended Mar. 31, 2016	Year ended Mar. 31, 2017
Profit	40,540	45,667
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,349)	3,071
Deferred gains or losses on hedges	1,481	6,104
Foreign currency translation adjustment	(17,882)	(3,960)
Remeasurements of defined benefit plans, net of tax	(14,844)	12,379
Share of other comprehensive income of entities accounted for using equity method	(5,693)	(1,257)
Total other comprehensive income	(44,288)	16,336
Comprehensive income	(3,748)	62,004
(Comprehensive income attributable to abstract)		
Comprehensive income attributable to owners of parent	(3,410)	53,069
Comprehensive income attributable to non-controlling interests	(337)	8,934

(3) Consolidated Statement of Changes in Equity

Year ended Mar. 31, 2016

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	180,502	109,902	339,061	(2)	629,463
Cumulative effects of changes in accounting policies			(5,911)		(5,911)
Restated balance	180,502	109,902	333,150	(2)	623,552
Changes of items during period					
Dividends of surplus			(12,813)		(12,813)
Profit attributable to owners of parent			40,081		40,081
Purchase of treasury shares				(2)	(2)
Change in ownership interest of parent due to transactions with non-controlling interests		-			-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	27,268	(2)	27,265
Balance at the end of current period	180,502	109,902	360,418	(4)	650,817

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	19,860	(15,821)	53,205	2,023	59,268	7,566	696,298
Cumulative effects of changes in accounting policies							(5,911)
Restated balance	19,860	(15,821)	53,205	2,023	59,268	7,566	690,387
Changes of items during period							
Dividends of surplus							(12,813)
Profit attributable to owners of parent							40,081
Purchase of treasury shares							(2)
Change in ownership interest of parent due to transactions with non-controlling interests							-
Net changes of items other than shareholders' equity	(7,344)	1,426	(22,741)	(14,832)	(43,492)	1,272	(42,219)
Total changes of items during period	(7,344)	1,426	(22,741)	(14,832)	(43,492)	1,272	(14,953)
Balance at the end of current period	12,516	(14,395)	30,464	(12,809)	15,775	8,839	675,433

Year ended Mar. 31, 2017

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	180,502	109,902	360,418	(4)	650,817
Cumulative effects of changes in accounting policies			83		83
Restated balance	180,502	109,902	360,502	(4)	650,901
Changes of items during period					
Dividends of surplus			(12,813)		(12,813)
Profit attributable to owners of parent			41,429		41,429
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		10,025			10,025
Net changes of items other than shareholders' equity					
Total changes of items during period	-	10,025	28,615	(0)	38,640
Balance at the end of current period	180,502	119,927	389,117	(5)	689,542

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	12,516	(14,395)	30,464	(12,809)	15,775	8,839	675,433
Cumulative effects of changes in accounting policies							83
Restated balance	12,516	(14,395)	30,464	(12,809)	15,775	8,839	675,517
Changes of items during period							
Dividends of surplus							(12,813)
Profit attributable to owners of parent							41,429
Purchase of treasury shares							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							10,025
Net changes of items other than shareholders' equity	3,077	12,212	(9,168)	12,379	18,500	31,360	49,861
Total changes of items during period	3,077	12,212	(9,168)	12,379	18,500	31,360	88,502
Balance at the end of current period	15,594	(2,183)	21,295	(430)	34,276	40,200	764,019

(4) Consolidated Statement of Cash Flows

(Unit: million yen)

	Year ended Mar. 31, 2016	Year ended Mar. 31, 2017
Cash flows from operating activities		
Profit before income taxes	58,421	67,150
Depreciation and amortization	94,582	75,660
Impairment loss	1,392	2,624
Loss on retirement of non-current assets	3,656	2,842
Increase (decrease) in net defined benefit liability	(3,351)	9,276
Increase (decrease) in reserve for fluctuation in water levels	116	-
Interest and dividend income	(3,314)	(2,713)
Interest expenses	30,495	29,798
Decrease (increase) in notes and accounts receivable-trade	2,445	(13,433)
Decrease (increase) in inventories	(3,259)	(5,503)
Increase (decrease) in notes and accounts payable-trade	(3,085)	(6,477)
Share of (profit) loss of entities accounted for using equity method	(10,889)	(13,258)
Other, net	3,134	6,786
Subtotal	170,342	152,753
Interest and dividend income received	13,573	13,229
Interest expenses paid	(30,554)	(30,224)
Income taxes paid	(7,232)	(20,317)
Net cash provided by (used in) operating activities	146,130	115,440
Cash flows from investing activities		
Purchase of non-current assets	(140,840)	(108,149)
Payments of investment and loans receivable	(2,537)	(18,005)
Collection of investment and loans receivable	15,960	2,577
Other, net	(4,123)	(14,086)
Net cash provided by (used in) investing activities	(131,541)	(137,663)

(Unit: million yen)

	Year ended Mar. 31, 2016	Year ended Mar. 31, 2017
Cash flows from financing activities		
Proceeds from issuance of bonds	-	79,702
Redemption of bonds	(60,999)	(90,000)
Proceeds from long-term loans payable	96,697	83,762
Repayments of long-term loans payable	(110,783)	(69,108)
Increase in short-term loans payable	100,944	87,663
Decrease in short-term loans payable	(102,994)	(90,194)
Proceeds from issuance of commercial papers	2,999	15,000
Redemption of commercial papers	(3,000)	(15,000)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	42,363
Cash dividends paid	(12,811)	(12,811)
Other, net	1,315	(916)
Net cash provided by (used in) financing activities	(88,632)	30,461
Effect of exchange rate change on cash and cash equivalents	(2,446)	267
Net increase (decrease) in cash and cash equivalents	(76,490)	8,505
Cash and cash equivalents at beginning of period	236,439	159,949
Cash and cash equivalents at end of period	159,949	168,454

(5) Notes on Premise of Going Concern

Not applicable.

(6) Changes in Accounting Policies, Changes in Accounting Quotation and Representation of Corrections

Changes in Accounting Policies

(Recording of reserve for fluctuation in water levels)

J-POWER recorded a reserve for fluctuation in water levels to provide for losses caused by low water levels. However, its balance at the end of the previous fiscal year was reversed and added to retained earnings at the beginning of the current fiscal year in conjunction with the enactment of the “Act on the Partial Revision of the Electricity Business Act” (Act No. 72, 2014) on April 1, 2016, pursuant to the article 5 of the supplementary provisions to the “Ministerial Ordinance Concerning Reserve for Fluctuation in Water Levels” (Ordinance of the Ministry of Economy, Trade and Industry No. 53, 2016).

The reserve for fluctuation in water levels at the beginning of the current fiscal year was consequently reversed by 116 million yen and retained earnings increased by 83 million yen.

(Inclusion of loan interest in asset acquisition cost)

J-POWER included the interest on funds allocated to building electric utility plant and equipment in the construction cost for the assets concerned, pursuant to the “Electric Utility Accounting Regulations” (Ordinance of the Ministry of International Trade and Industry No. 57 of 1965), but has switched to an accounting method that does not include interest in the construction cost of the assets concerned from this fiscal year.

J-POWER previously calculated the rate for the wholesale electric power business on the cost basis which consists of fair assumed cost projected as necessary and fair return. However, the regulations for rates that stipulate cost basis were repealed with the abolishment of wholesale regulations in April 2016.

In light of this, J-POWER changed its accounting policies to properly reflect the impact of no longer systematically charging the future beneficiaries for the interest which had been included in the construction cost on electric utility plant and equipment and on construction in progress.

This change of the accounting policies was applied retroactively, and the consolidated financial statements for the previous fiscal year reflect the retroactive application.

The consolidated balance sheet for the previous fiscal year therefore shows a decrease by 3,978 million yen in electric utility plant and equipment and a decrease by 3,734 million yen in construction in progress, compared to the figures before retroactively applying this change. The consolidated statement of income for the previous fiscal year shows an increase by 538 million yen in operating income due to the decrease in depreciation and amortization cost, which resulted in 504 million yen increase in both ordinary income and profit before income taxes when combined with an increase in interest expenses.

The consolidated statement of cash flows for the previous fiscal year shows 504 million yen increase in profit before income taxes and 538 million yen decrease in depreciation and amortization.

Consolidated Statement of Changes in Equity after retroactively applying the change shows 5,911 million yen decrease in the balance of retained earnings at the beginning due to the reflection of the cumulative impact on net assets at the beginning of the previous fiscal year.

Regarding impact per share, please refer to Per Share Information.

(Application of the Practical Solution on a Change in Depreciation Method due to Tax Reform 2016)

Some consolidated subsidiaries in Japan applied the “Practical Solution on a Change in Depreciation Method due to Tax Reform 2016” (ASBJ PITF No. 32, June 17, 2016) in the current fiscal year in accordance with the revision of the Corporation Tax Act, and changed the method of depreciation for facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method.

This has no material impact on the consolidated financial statements for the current fiscal year.

Changes in Accounting Policies Difficult to Differentiate from Changes in Accounting Estimates

(Method of depreciation for tangible non-current assets)

J-POWER previously used the declining-balance method of depreciation for buildings, structures, and machinery and equipment, but has applied the straight-line method from this fiscal year.

In the “Basic Energy Plan” (Cabinet resolution, April 2014) and the “Long-term Energy Supply-demand Outlook” (developed by Ministry of Economy, Trade and Industry, July 2015), coal-fired thermal power generation and hydroelectric power generation, which J-POWER regards as its core business, are positioned as important baseload power sources over the long-term.

The business environment for J-POWER changed significantly with the full liberalization of the retail power business and the abolishment of wholesale regulations in April 2016. With the end of the obligation to supply electricity to EPCOs in accordance with the abolishment of wholesale regulations, J-POWER is expected to contribute to activate the power market through supplying electricity to the wholesale power market. Given these conditions, J-POWER aims for achieving further growth and also fulfilling the expected role of activating the wholesale power market, which is essential to realize a competitive market, through stable operation of its price-competitive power generation facilities in the domestic market as the liberalization proceeds. In order to achieve these targets, J-POWER has designated the stable operation of its coal-fired thermal power plants, hydroelectric power plants and transmission or transformation facilities as a key initiative in its medium-term management plan.

We have therefore changed the method of depreciation for domestic business facilities to the straight-line method to better reflect the independent stable operation of domestic facilities in light of this environment.

This change resulted in a decrease in depreciation and amortization cost for the current fiscal year, which increased operating income by 18,299 million yen and increased ordinary income and profit before income taxes by 18,301 million yen respectively.

(7) Changes in Presentation Methods

(Consolidated Statement of Cash Flows)

In the previous fiscal year, “Loss (gain) on sales of securities“ were presented separately under “Cash flows from operating activities“ but it was included in “Other” from the current fiscal year due to diminished importance. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, (145) million yen of “Loss (gain) on sales of securities“ and 3,280 million yen of “Other” under “Cash flows from operating activities” in the consolidated statement of cash flows for the previous fiscal year were reclassified as 3,134 million yen of “Other”.

(8) Additional Information

(Application of Guidance on Recoverability of Deferred Tax Assets)

“Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No.26 of March 28, 2016) is applied from the current fiscal year.

(9) Notes to Consolidated Financial Statements

(Segment Information)

1.Overview of Reportable Segments

The J-POWER Group is comprised of J-POWER (parent company), 73 subsidiaries and 103 affiliates (as of March 31, 2017), of which core business is generating business utilizing power plants owned by J-POWER group companies including hydroelectric, thermal and wind. Through our power transmission and transforming facilities we also engage in transmission business, providing transmission services to nine transmission and distribution companies excluding The Okinawa Electric Power Company. The J-POWER Group’s business is separated into 4 reportable segments of “Electric Power Business” conducted by the parent company, subsidiaries and affilates; “Electric Power Related Business” that complements and contributes to the smooth and efficient implementation of our electric power business; “Overseas Business” that engages in overseas power generation business and businesses related to this; and “Other Business” which consists of various business activities including the sale of coal that fully utilize the Group’s management resources and know-how.

2. Method of calculating amounts in sales, income or loss, assets and other items for each reportable segment

The method of accounting for reportable segments is the same as that applied to consolidated financial statements. The income of reportable segments is calculated on the basis of ordinary income. Intersegment internal revenues and transferred amounts are based on current market prices.

3. Information concerning amounts in sales, income or loss, assets and other items for each reportable segment

・ Year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Unit: million yen)

	Electric Power	Electric Power Related	Overseas	Other	Subtotal	Adjustments	Consolidated
Sales							
Sales to external customers	570,837	31,973	155,952	21,309	780,072	-	780,072
Intersegment sales and transfer	1,657	327,213	-	1,758	330,629	(330,629)	-
Total sales	572,494	359,186	155,952	23,068	1,110,701	(330,629)	780,072
Segment income	32,239	14,462	11,483	810	58,995	(456)	58,538
Segment assets	1,825,341	256,147	601,176	17,830	2,700,495	(159,772)	2,540,723
Other items							
Depreciation and amortization	77,628	6,252	12,833	422	97,136	(2,553)	94,582
Interest income	278	250	503	52	1,084	(178)	905
Interest expenses	17,936	195	12,470	86	30,688	(193)	30,495
Equity income of affiliates	391	-	10,497	-	10,889	-	10,889
Investment in affiliates	12,915	-	152,684	-	165,599	-	165,599
Increase in the tangible and intangible non-current assets	119,176	2,820	11,472	301	133,770	(7,450)	126,320

Notes:

1. The breakdown of adjustments is as follows.
   (1) The adjustment amount of (456) million yen in segment income includes elimination of transaction amounts between segments of (493) million yen.
   (2) The adjustment amount of (159,772) million yen in segment assets includes elimination of (157,670) million yen for the offsetting of receivables.
   (3) The adjustment amount of (2,553) million yen in depreciation and amortization includes elimination of transaction amounts between segments of (2,510) million yen.
   (4) The adjustment amounts for interest income, interest expenses, and increase in the tangible and intangible non-current assets are amounts eliminated as transactions between segments.
2. Segment income is adjusted with ordinary income within consolidated financial statements.

・ Year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Unit: million yen)

	Electric Power	Electric Power Related	Overseas	Other	Subtotal	Adjustments	Consolidated
Sales							
Sales to external customers	538,558	34,004	149,888	21,950	744,402	-	744,402
Intersegment sales and transfer	1,683	323,357	-	2,038	327,079	(327,079)	-
Total sales	540,241	357,362	149,888	23,989	1,071,482	(327,079)	744,402
Segment income	22,212	14,244	31,229	1,376	69,063	(1,912)	67,150
Segment assets	1,885,892	248,751	617,442	18,559	2,770,646	(164,360)	2,606,285
Other items							
Depreciation and amortization	54,650	5,975	16,448	314	77,389	(1,728)	75,660
Interest income	124	299	634	72	1,131	(107)	1,024
Interest expenses	15,470	139	14,201	94	29,905	(107)	29,798
Equity income of affiliates	110	-	13,148	-	13,258	-	13,258
Investment in affiliates	16,192	-	163,074	-	179,266	-	179,266
Increase in the tangible and intangible non-current assets	107,841	2,153	1,358	553	111,907	(6,070)	105,837

Notes:

1. The breakdown of adjustments is as follows.
   (1) The adjustment amount of (1,912) million yen in segment income includes elimination of transaction amounts between segments of (1,951) million yen.
   (2) The adjustment amount of (164,360) million yen in segment assets includes elimination of (153,714) million yen for the offsetting of receivables.
   (3) The adjustment amount of (1,728) million yen in depreciation and amortization includes elimination of transaction amounts between segments of (1,676) million yen.
   (4) The adjustment amounts for interest income, interest expenses, and increase in the tangible and intangible non-current assets are amounts eliminated as transactions between segments.
2. Segment income is adjusted with ordinary income within consolidated financial statements.

4. Changes in reportable segmens and others

Inclusion of loan interest in asset acquisition cost

As stated in “Changes in Accounting Policies”, J-POWER included the interest on funds allocated to building electric utility plant and equipment in the construction cost for the assets concerned, pursuant to the “Electric Utility Accounting Regulations” (Ordinance of the Ministry of International Trade and Industry No. 57 of 1965), but has switched to an accounting method that does not include interest in the construction cost of the assets concerned from this fiscal year.

This change of the accounting policies was applied retroactively, and the segment information for the previous fiscal year reflects the retroactive application.

“Electric Power Business” segment for the previous fiscal year therefore shows an increase by 504 million yen in segment income, a decrease by 5,549 million yen in segment assets and a decrease by 538 million yen in depreciation and amortization, compared to the figures before retroactively applying this policy.

Method of depreciation for tangible non-current assets

As stated in “Changes in Accounting Policies Difficult to Differentiate from Changes in Accounting Estimates”, J-POWER previously used the declining-balance method of depreciation for buildings, structures, and machinery and equipment, but has applied the straight-line method from this fiscal year.

This change resulted in an increase in segment income in “Electric Power Business” and “Other Business” segments by 18,205 million yen and 95 million yen respectively, while depreciation and amortization in those segments decreased by 18,205 million yen and 95 million yen respectively.

(Per Share Information)

	Year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)	Year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)
	yen	yen
Net assets per share	3,641.59	3,954.22
Earnings per share	218.97	226.33

Notes:

1. Since there were no potential shares such as bonds with subscription right to shares, diluted earnings per shares is not indicated.
2. The basis of calculation of earnings per share is shown below.

	Year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)	Year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)
Profit attributable to owners of parent	40,081 million yen	41,429 million yen
Amount not attributable to ordinary shareholders	-	-
Profit attributable to shareholders of common stock of parent	40,081 million yen	41,429 million yen
Average number of common stock outstanding during the year	183,050 thousand	183,049 thousand

3. The basis of calculation of net assets per share is shown below.

	Year ended March 31, 2016 (as of March 31, 2016)	Year ended March 31, 2017 (as of March 31, 2017)
Total net assets	675,433 million yen	764,019 million yen
Elimination from total net assets	8,839 million yen	40,200 million yen
【non-controlling interests included in the above】	【8,839 million yen】	【40,200 million yen】
Year-end net assets related to common stock	666,593 million yen	723,819 million yen
Number of common stock at the year-end used in the calculation of net assets per share	183,049 thousand	183,049 thousand

4. As stated in “Changes in Accounting Policies (Inclusion of loan interest in asset acquisition cost)”, change in accounting policies from the current fiscal year was retroactively applied to the consolidated financial statements for the previous fiscal year, which resulted in a decrease in net assets per share by 30.32 yen and an increase in earnings per share by 1.98 yen for the previous fiscal year.

(Significant subsequent event)

Not applicable.

6. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheet

(Unit: million yen)

	As of Mar. 31, 2016	As of Mar. 31, 2017
Assets		
Non-current assets	1,820,204	1,892,648
Electric utility plant and equipment	931,795	932,819
Hydroelectric power production facilities	353,685	357,508
Thermal power production facilities	320,428	318,961
Renewable power production facilities	1,061	939
Transmission facilities	164,220	160,596
Transformation facilities	31,132	30,988
Communication facilities	9,039	8,815
General facilities	52,227	55,009
Incidental business facilities	1,944	2,199
Non-operating facilities	331	313
Construction in progress	438,730	483,067
Construction in progress	438,592	482,143
Retirement in progress	138	923
Nuclear fuel	73,447	73,682
Nuclear fuel in processing	73,447	73,682
Investments and other assets	373,953	400,565
Long-term investments	61,773	63,824
Long-term investment for subsidiaries and associates	265,759	277,179
Long-term prepaid expenses	25,553	36,609
Deferred tax assets	20,866	22,953
Current assets	165,044	168,232
Cash and deposits	3,969	5,169
Accounts receivable-trade	26,789	43,488
Other accounts receivable	4,636	2,838
Short-term investments	72,399	51,000
Supplies	31,758	36,360
Advance payments	71	-
Prepaid expenses	2,140	2,752
Short-term receivables from subsidiaries and associates	5,293	5,381
Deferred tax assets	3,217	2,305
Other current assets	14,767	18,936
Total assets	1,985,248	2,060,881

(Unit: million yen)

	As of Mar. 31, 2016	As of Mar. 31, 2017
Liabilities		
Non-current liabilities	1,184,707	1,156,280
Bonds payable	575,079	494,991
Long-term loans payable	562,520	605,486
Long-term accrued liabilities	269	269
Lease obligations	188	133
Long-term debt to subsidiaries and associates	1,425	1,805
Provision for retirement benefits	38,548	47,395
Asset retirement obligations	1,604	1,646
Other non-current liabilities	5,070	4,552
Current liabilities	282,557	342,408
Current portion of non-current liabilities	145,540	190,745
Short-term loans payable	16,250	16,650
Accounts payable-trade	1,731	6,141
Accounts payable-other	7,587	10,560
Accrued expenses	10,016	14,391
Accrued taxes	9,319	7,362
Deposits received	323	294
Short-term debt to subsidiaries and associates	87,863	92,253
Other advances	786	3,067
Other current liabilities	3,137	941
Reserves under the special laws	116	-
Reserve for fluctuation in water levels	116	-
Total liabilities	1,467,381	1,498,688
Net assets		
Shareholders' equity	506,807	545,629
Capital stock	180,502	180,502
Capital surplus	109,904	109,904
Legal capital surplus	109,904	109,904
Retained earnings	216,405	255,228
Legal retained earnings	6,029	6,029
Other retained earnings	210,375	249,198
Reserve for special disaster	66	69
Exchange-fluctuation preparation reserve	1,960	1,960
General reserve	162,861	182,861
Retained earnings brought forward	45,488	64,308
Treasury shares	(4)	(5)
Valuation and translation adjustments	11,059	16,562
Valuation difference on available-for-sale securities	11,178	14,276
Deferred gains or losses on hedges	(118)	2,286
Total net assets	517,867	562,192
Total liabilities and net assets	1,985,248	2,060,881

(2) Non-consolidated Statement of Income

(Unit: million yen)

	Year ended Mar. 31, 2016	Year ended Mar. 31, 2017
Operating revenue	552,341	522,460
Electric utility operating revenue	543,019	510,909
Sold power to other suppliers	490,235	457,953
Transmission revenue	48,991	49,021
Other electricity revenue	3,792	3,933
Incidental business operating revenue	9,322	11,551
Operating revenue-consulting business	1,807	2,591
Operating revenue-coal sale business	6,036	7,912
Operating revenue-other businesses	1,478	1,047
Operating expenses	510,770	494,829
Electric utility operating expenses	502,326	484,288
Hydroelectric power production expenses	62,715	57,093
Thermal power production expenses	344,062	322,317
Renewable power production expenses	2,183	645
Purchased power from other suppliers	14	4,283
Transmission expenses	25,848	23,560
Transformation expenses	6,338	5,751
Selling expenses	1,362	1,209
Communicating expenses	4,671	4,301
General and administrative expenses	48,135	58,071
Expenses for third partys power transmission service	-	478
Enterprise tax	6,993	6,577
Incidental business operating expenses	8,444	10,540
Operating expenses-consulting business	1,144	1,905
Operating expenses-coal sale business	5,971	7,896
Operating expenses-other businesses	1,327	738
Operating income	41,570	27,630

(Unit: million yen)

	Year ended Mar. 31, 2016	Year ended Mar. 31, 2017
Non-operating income	18,319	45,458
Financial revenue	17,079	43,456
Dividend income	15,825	42,543
Interest income	1,253	913
Non-operating revenue	1,240	2,002
Gain on sales of non-current assets	10	2
Miscellaneous revenue	1,230	1,999
Non-operating expenses	19,715	16,619
Financial expenses	17,874	15,739
Interest expenses	17,874	15,442
Bond issuance cost	-	297
Non-operating expenses	1,840	879
Loss on sales of non-current assets	4	15
Miscellaneous loss	1,835	863
Total ordinary revenue	570,661	567,919
Total ordinary expenses	530,486	511,449
Ordinary income	40,174	56,470
Provision or reversal of reserve for fluctuation in water levels	116	-
Provision of reserve for fluctuation in water levels	116	-
Profit before income taxes	40,058	56,470
Income taxes-current	6,267	7,691
Income taxes-deferred	2,970	(2,773)
Total income taxes	9,238	4,917
Profit	30,820	51,552

(3) Non-consolidated Statement of Changes in Equity

Year ended Mar. 31, 2016

(Unit: million yen)

	Shareholders' equity							
		Capital surplus		Retained earnings				
					Other retained earnings			
	Capital stock	Legal capital surplus	Total capital surplus	Legal retained earnings	Reserve for special disaster	Exchange-fluctuation preparation reserve	General reserve	Retained earnings brought forward
Balance at the beginning of current period	180,502	109,904	109,904	6,029	65	1,960	152,861	43,393
Cumulative effects of changes in accounting policies								(5,911)
Restated balance	180,502	109,904	109,904	6,029	65	1,960	152,861	37,482
Changes of items during period								
Dividends of surplus								(12,813)
Profit								30,820
Provision of reserve for special disaster					4			(4)
Reversal of reserve for special disaster					(3)			3
Provision of general reserve							10,000	(10,000)
Purchase of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	0	-	10,000	8,006
Balance at the end of current period	180,502	109,904	109,904	6,029	66	1,960	162,861	45,488

	Shareholders' equity			Valuation and translation adjustments			Total net assets
	Retained earnings						
	Total retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	204,309	(2)	494,713	18,663	(1,101)	17,562	512,276
Cumulative effects of changes in accounting policies	(5,911)		(5,911)				(5,911)
Restated balance	198,398	(2)	488,802	18,663	(1,101)	17,562	506,365
Changes of items during period							
Dividends of surplus	(12,813)		(12,813)				(12,813)
Profit	30,820		30,820				30,820
Provision of reserve for special disaster	-		-				-
Reversal of reserve for special disaster	-		-				-
Provision of general reserve	-		-				-
Purchase of treasury shares		(2)	(2)				(2)
Net changes of items other than shareholders' equity				(7,484)	982	(6,502)	(6,502)
Total changes of items during period	18,006	(2)	18,004	(7,484)	982	(6,502)	11,501
Balance at the end of current period	216,405	(4)	506,807	11,178	(118)	11,059	517,867

Year ended Mar. 31, 2017

(Unit: million yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings				
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			
					Reserve for special disaster	Exchange-fluctuation preparation reserve	General reserve	Retained earnings brought forward
Balance at the beginning of current period	180,502	109,904	109,904	6,029	66	1,960	162,861	45,488
Cumulative effects of changes in accounting policies								83
Restated balance	180,502	109,904	109,904	6,029	66	1,960	162,861	45,472
Changes of items during period								
Dividends of surplus								(12,813)
Profit								51,552
Provision of reserve for special disaster					3			(3)
Reversal of reserve for special disaster					-			-
Provision of general reserve							20,000	(20,000)
Purchase of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	3	-	20,000	18,736
Balance at the end of current period	180,502	109,904	109,904	6,029	69	1,960	182,861	64,308

	Shareholders' equity			Valuation and translation adjustments			Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Total retained earnings						
Balance at the beginning of current period	216,405	(4)	506,807	11,178	(118)	11,059	517,867
Cumulative effects of changes in accounting policies	83		83				83
Restated balance	216,488	(4)	506,890	11,178	(118)	11,059	517,950
Changes of items during period							
Dividends of surplus	(12,813)		(12,813)				(12,813)
Profit	51,552		51,552				51,552
Provision of reserve for special disaster	-		-				-
Reversal of reserve for special disaster	-		-				-
Provision of general reserve	-		-				-
Purchase of treasury shares		(0)	(0)				(0)
Net changes of items other than shareholders' equity				3,097	2,405	5,502	5,502
Total changes of items during period	38,739	(0)	38,738	3,097	2,405	5,502	44,241
Balance at the end of current period	255,228	(5)	545,629	14,276	2,286	16,562	562,192

7. Other

For the details of plans for appointment of directors and audit & supervisory board members, please see the news release, “Plans for Appointment of Directors and Audit & Supervisory Board Members” announced today, April 28, 2017.

8. Appendixes

[Appendix 1]

Revenues and Expenses (Consolidated)

(Unit: million yen)

	Year ended Mar. 31, 2016 (A)	Year ended Mar. 31, 2017 (B)	Year-on-year change (B-A)	(B-A)/A
Operating revenue	780,072	744,402	(35,669)	(4.6)%
Electric utility operating revenue	570,837	538,558	(32,278)	(5.7)%
Electric power sales	519,682	487,263	(32,419)	(6.2)%
Transmission revenue	48,991	49,021	30	0.1%
Other electricity revenue	2,163	2,273	109	5.0%
Overseas business operating revenue	155,952	149,888	(6,063)	(3.9)%
Other business operating revenue	53,282	55,955	2,672	5.0%
Operating expenses	692,157	662,675	(29,481)	(4.3)%
Electric utility operating expenses	506,234	487,766	(18,467)	(3.6)%
Personnel expense	30,823	44,079	13,255	43.0%
Fuel cost	224,729	203,553	(21,175)	(9.4)%
Repair expense	57,225	65,849	8,623	15.1%
Consignment cost	40,028	37,903	(2,124)	(5.3)%
Taxes and duties	25,228	24,519	(709)	(2.8)%
Depreciation and amortization cost	75,119	52,973	(22,145)	(29.5)%
Other	53,079	58,886	5,807	10.9%
Overseas business operating expenses	131,605	119,535	(12,069)	(9.2)%
Other business operating expenses	54,317	55,374	1,056	1.9%
Operating income	87,915	81,726	(6,188)	(7.0)%
Non-operating income	17,871	20,526	2,655	14.9%
Dividend income	2,409	1,689	(719)	(29.9)%
Interest income	905	1,024	118	13.1%
Share of profit of entities accounted for using equity method	10,889	13,258	2,368	21.8%
Other	3,667	4,554	887	24.2%
Non-operating expenses	47,248	35,103	(12,145)	(25.7)%
Interest expenses	30,495	29,798	(696)	(2.3)%
Foreign exchange losses	12,888	-	(12,888)	-
Other	3,865	5,304	1,439	37.2%
Total ordinary revenue	797,944	764,929	(33,014)	(4.1)%
Total ordinary expenses	739,405	697,779	(41,626)	(5.6)%
Ordinary income	58,538	67,150	8,611	14.7%
Provision of reserve for fluctuation in water levels	116	-	(116)	-
Profit before income taxes	58,421	67,150	8,728	14.9%
Income taxes - current	12,821	18,634	5,812	45.3%
Income taxes - deferred	5,059	2,847	(2,211)	(43.7)%
Profit	40,540	45,667	5,127	12.6%
Profit attributable to non-controlling interests	459	4,238	3,779	823.4%
Profit attributable to owners of parent	40,081	41,429	1,347	3.4%

[Appendix 2]

(1) Generation capacity

(Unit: kW)

	Year ended Mar. 31, 2016 (A)	Year ended Mar. 31, 2017 (B)	Year-on-year change (B-A)
Electric power business	17,723,550	17,766,649	43,099
Hydroelectric power	8,570,670	8,571,269	599
Thermal power	8,750,420	8,750,420	-
Wind power	402,460	444,960	42,500
Overseas business	3,990,000	3,990,000	-
Total	21,713,550	21,756,649	43,099

(2) Electricity sales volume

(Unit: GWh)

	Year ended Mar. 31, 2016 (A)	Year ended Mar. 31, 2017 (B)	Year-on-year change (B-A)
Electric power business	67,318	62,791	(4,527)
Hydroelectric power	10,322	8,508	(1,813)
Thermal power	56,244	53,513	(2,730)
Wind power	751	769	17
Overseas business	13,896	14,687	790
Total	81,215	77,479	(3,736)

(3) Water supply rate

(Unit: %)

	Year ended Mar. 31, 2016 (A)	Year ended Mar. 31, 2017 (B)	Year-on-year change (B-A)
Water supply rate	111	92	(19)

[Appendix 3]

Revenues and Expenses (Non-consolidated)

(Unit: million yen)

	Year ended Mar. 31, 2016	Year ended Mar. 31, 2017	Year-on-year change	
	(A)	(B)	(B-A)	(B-A)/A
Operating revenue	552,341	522,460	(29,880)	(5.4)%
Electric utility operating revenue	543,019	510,909	(32,109)	(5.9)%
Electric power sales	490,235	457,953	(32,282)	(6.6)%
Transmission revenue	48,991	49,021	30	0.1%
Other electricity revenue	3,792	3,933	141	3.7%
Incidental business operating revenue	9,322	11,551	2,229	23.9%
Operating expenses	510,770	494,829	(15,940)	(3.1)%
Electric utility operating expenses	502,326	484,288	(18,037)	(3.6)%
Personnel expense	31,811	43,657	11,846	37.2%
Fuel cost	218,481	196,843	(21,637)	(9.9)%
Repair expense	58,325	68,348	10,022	17.2%
Taxes and duties	24,434	23,824	(610)	(2.5)%
Depreciation and amortization cost	73,475	49,696	(23,779)	(32.4)%
Other	95,797	101,919	6,121	6.4%
Incidental business operating expenses	8,444	10,540	2,096	24.8%
Operating income	41,570	27,630	(13,939)	(33.5)%
Non-operating income	18,319	45,458	27,138	148.1%
Non-operating expenses	19,715	16,619	(3,096)	(15.7)%
Financial expenses	17,874	15,739	(2,135)	(11.9)%
Other	1,840	879	(961)	(52.2)%
Total ordinary revenue	570,661	567,919	(2,741)	(0.5)%
Total ordinary expenses	530,486	511,449	(19,037)	(3.6)%
Ordinary income	40,174	56,470	16,295	40.6%
Provision of reserve for fluctuation in water levels	116	-	(116)	-
Profit before income taxes	40,058	56,470	16,412	41.0%
Income taxes – current	6,267	7,691	1,423	22.7%
Income taxes – deferred	2,970	(2,773)	(5,744)	-
Profit	30,820	51,552	20,732	67.3%