

(English Translation)

Financial Results (Unaudited) (for the Year Ended March 31, 2018)

April 27, 2018

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 27, 2018
Scheduled date of dividend payment commencement:	June 28, 2018
Scheduled date for filing of annual securities report:	June 28, 2018
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, 2017 to March 31, 2018)

(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, 2018	856,252	15.0	104,336	27.7	102,476	52.6	68,448	65.2
Year ended March 31, 2017	744,402	(4.6)	81,726	(7.0)	67,150	14.7	41,429	3.4

(Note) Comprehensive income: Year ended March 31, 2018 92,297 million yen 48.9%
Year ended March 31, 2017 62,004 million yen - %

	Earnings per share	Fully diluted earnings per share
	yen	yen
Year ended March 31, 2018	373.93	—
Year ended March 31, 2017	226.33	—

	Ratio of earnings to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to operating revenue
	%	%	%
Year ended March 31, 2018	9.1	3.9	12.0
Year ended March 31, 2017	6.0	2.6	11.0

(Reference) Share of profit of entities accounted for using equity method:

Year ended March 31, 2018	9,721 million yen
Year ended March 31, 2017	13,258 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2018	2,647,221	836,124	29.7	4,300.98
Year ended March 31, 2017	2,606,285	764,019	27.8	3,954.22

(Reference) Shareholders' equity: As of March 31, 2018 787,291 million yen

As of March 31, 2017 723,819 million yen

(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, 2018	160,310	(109,635)	(85,825)	136,840
Year ended March 31, 2017	115,440	(137,663)	30,461	168,454

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, 2017	—	35.00	—	35.00	70.00	12,813	30.9	1.8
Year ended March 31, 2018	—	35.00	—	40.00	75.00	13,728	20.1	1.8
Year ending March 31, 2019 (forecasts)	—	35.00	—	40.00	75.00		27.5	

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2019 (From April 1, 2018 to March 31, 2019)

(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, 2019	863,000	0.8	84,000	(19.5)	70,000	(31.7)	50,000	(27.0)	273.15

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.: None

2) Changes in accounting policies except 1): None

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 Estimates and Restatement of Corrections" on page 13.

(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, 2018: 183,051,100

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

2) Treasury stock at the end of the period

Year ended March 31, 2018: 1,751

Year ended March 31, 2017: 1,331

3) Average number of shares outstanding during the period

Year ended March 31, 2018: 183,049,580

Year ended March 31, 2017: 183,049,856

[Reference]

1. Non-consolidated Financial Results (From April 1, 2017 to March 31, 2018)

(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, 2018	614,591	17.6	43,071	55.9	52,460	(7.1)	41,938	(18.6)
Year ended March 31, 2017	522,460	(5.4)	27,630	(33.5)	56,470	40.6	51,552	67.3

	Profit per share	Fully diluted profit per share
	yen	yen
Year ended March 31, 2018	229.11	—
Year ended March 31, 2017	281.63	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2018	2,075,706	590,927	28.5	3,228.24
Year ended March 31, 2017	2,060,881	562,192	27.3	3,071.25

(Reference) Shareholders' equity: Year ended March 31, 2018 590,927 million yen
Year ended March 31, 2017 562,192 million yen

2. Non-consolidated Earnings Forecasts for the Year Ending March 31, 2019 (From April 1, 2018 to March 31, 2019)

(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, 2019	611,000	(0.6)	26,000	(39.6)	49,000	(6.6)	45,000	7.3	245.84

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

* Forward-looking statements and other special notes

- The earnings forecasts are forward-looking statements made on the basis of available information current at the time forecasts are made and contain uncertain elements. Therefore, actual earnings may differ from forecast figures as a result of changes in business performance and other factors. For the details of earnings forecasts for the year ending March 2019, please refer to page 3.
- 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. Operating Results and Financial Position (Consolidated)

(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 8.7% increase to 9.2TWh, due mainly to the increase of water supply rate from 92% in the previous fiscal year to 105%. In thermal power, an increase in the load factor of thermal power plants of J-POWER (non-consolidated) from 75% to 80% resulted in 6.5% increase in electricity sales volume from the previous fiscal year to 57.0TWh. Mainly due to these factors, total electricity sales volume in the electric power business increased 6.8% from the previous fiscal year to 67.0TWh.

Electricity sales volume in the overseas business increased 8.1% from the previous fiscal year to 15.8TWh.

2) Overview of Income and Expenditures

Sales (operating revenue) increased 15.0% from the previous fiscal year to 856.2 billion yen mainly due to the increase of the fuel price and the load factor of thermal power plants in the electric power business. Non-operating revenue increased 41.8% from the previous fiscal year to 29.1 billion yen mainly due to the foreign exchange gains. Total ordinary revenue increased 15.7% from the previous fiscal year to 885.3 billion yen.

Operating expenses increased 13.5% from the previous fiscal year to 751.9 billion yen. This was mainly due to the increase of fuel costs associated with the increase of the fuel price and the load factor of thermal power plants. Total ordinary expenses including non-operating expenses increased 12.2% from the previous fiscal year to 782.8 billion yen.

As a result, ordinary income increased 52.6% from the previous fiscal year to 102.4 billion yen and profit attributable to owners of parent after posting impairment loss in extraordinary loss and deducting corporate income tax increased 65.2% from the previous fiscal year to 68.4 billion yen.

Results for the reportable segments for the current fiscal year are as follows.

(Electric Power Business)

Sales (electric utility operating revenue) increased 17.3% from the previous fiscal year to 633.7 billion yen mainly due to the increase of the fuel price and the load factor of thermal power plants.

Segment income increased 78.1% from the previous fiscal year to 39.5 billion yen due mainly to the increase in sales.

(Electric Power Related Business)

Sales (other business operating revenue) increased 15.5% from the previous fiscal year to 412.7 billion yen mainly due to the increase in sales of coal in a consolidated subsidiary.

Segment income increased 62.2% from the previous fiscal year to 23.0 billion yen due mainly to the increase in sales.

(Overseas Business)

Sales (overseas business operating revenue) increased 8.8% from the previous fiscal

year to 163.0 billion yen due mainly to the increase in electricity sales volume and depreciation of yen.

Segment income increased 29.8% from the previous fiscal year to 40.5 billion yen due mainly to the foreign exchange gains and depreciation of yen.

(Other Business)

Sales (other business operating revenue) increased 13.6% from the previous fiscal year to 27.2 billion yen.

Segment income decreased 8.6% from the previous fiscal year to 1.2 billion yen.

(2) Financial Position

Total assets increased 40.9 billion yen from the end of the previous fiscal year to 2.6472 trillion yen due mainly to the increase in non-current assets.

Total liabilities decreased 31.1 billion yen from the end of the previous fiscal year to 1.8110 trillion yen. Of this amount, interest-bearing debt decreased 58.7 billion yen from the end of the previous fiscal year to 1.5613 trillion yen. Non-recourse loans in overseas business accounted for 279.5 billion yen of interest-bearing debt.

Total net assets increased 72.1 billion yen from the end of the previous fiscal year to 836.1 billion yen, due mainly to posting of profit attributable to owners of parent. The shareholders' equity ratio increased from 27.8% at the end of the previous fiscal year to 29.7%.

(3) Cash Flow

(Cash flows from operating activities)

Cash inflow from operating activities increased 44.8 billion yen from the previous fiscal year to 160.3 billion yen due mainly to the increase in profit before income taxes.

(Cash flows from investing activities)

Cash outflow from investment activities decreased 28.0 billion yen from the previous fiscal year to 109.6 billion yen due mainly to the decrease in payments of investment and loans receivable and decrease in purchase of non-current assets.

(Cash flows from financing activities)

Cash flows from financing activities reversed from inflow of 30.4 billion yen in the previous fiscal year to outflow of 85.8 billion yen. This was mainly due to the elimination of inflow from transfer of part of shares in a consolidated subsidiary in the previous fiscal year, decrease in proceeds from loans, and increase in redemption of bonds.

As a result of these activities, cash and cash equivalents as of March 31, 2018 decreased 31.6 billion yen from the end of the previous fiscal year to 136.8 billion yen.

(4) Earnings Forecasts

In the earnings forecasts for the fiscal year ending March 2019, 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 0.8% from the fiscal year ended March 31, 2018 to 863 billion yen. Operating income is expected to decrease 19.5% to

84 billion yen due mainly to the increase of costs, and the elimination of foreign exchange gains is expected to result in 31.7% decrease in ordinary income. Profit attributable to owners of parent is expected to decrease 27.0% to 50 billion yen.

Electricity sales volume and other factors

			Year ended Mar. 31, 2018	Year ending Mar. 31, 2019
Electric Power Business	Hydroelectric	Electricity sales volume (TWh)	9.2	9.3
		Water supply rate (%)	105	100
	Thermal	Electricity sales volume (TWh)	57.0	54.9
		Load factor* (%)	80	80
	Wind	Electricity sales volume (TWh)	0.8	0.8
Overseas Business		Electricity sales volume (TWh)	15.8	15.4

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

Foreign exchange rate

	Year ended Mar. 31, 2018	Year ending Mar. 31, 2019
Yen/US\$ (Average foreign exchange rate)	111	115
Yen/THB (Foreign exchange rate at the end of Dec.)	3.45	3.50

(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.

Taking into account of factors such as the level of profit, earnings forecasts, and financial condition, we strive to enhance stable and continuous returns to shareholders in line with a consolidated pay-out ratio of around 30% excluding short-term profit fluctuation factors.

For the year ended March 2018, we use to plan to pay a year-end dividend of 35 yen per share so far, but with this newly established shareholder return policy, we now intend to increase it by 5 yen to 40 yen. As a result, the total annual dividend payout will be 75 yen per share combined with the interim dividend of 35 yen per share. For the year ending March 2019, we also intend to provide an annual payout of 75 yen per share (including an interim dividend of 35 yen).

2. 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.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Unit: million yen)

	As of Mar. 31, 2017	As of Mar. 31, 2018
Assets		
Non-current assets	2,271,046	2,320,012
Electric utility plant and equipment	958,754	951,149
Hydroelectric power production facilities	346,037	346,719
Thermal power production facilities	313,198	305,191
Internal combustion engine power production facilities	3,301	3,029
Renewable power production facilities	46,170	50,784
Transmission facilities	157,790	153,180
Transformation facilities	29,598	29,718
Communication facilities	8,186	8,375
General facilities	54,470	54,148
Overseas business facilities	332,010	341,418
Other non-current assets	92,501	93,404
Construction in progress	476,171	525,740
Construction and retirement in progress	476,171	525,740
Nuclear fuel	73,682	73,800
Nuclear fuel in processing	73,682	73,800
Investments and other assets	337,926	334,500
Long-term investments	253,660	256,715
Net defined benefit asset	2	-
Deferred tax assets	40,514	42,501
Other	43,794	35,283
Allowance for doubtful accounts	(45)	-
Current assets	335,239	327,209
Cash and deposits	117,240	129,675
Notes and accounts receivable-trade	78,805	91,432
Short-term investments	51,344	9,045
Inventories	47,172	52,368
Deferred tax assets	4,564	5,411
Other	36,129	39,322
Allowance for doubtful accounts	(18)	(46)
Total assets	2,606,285	2,647,221

(Unit: million yen)

	As of Mar. 31, 2017	As of Mar. 31, 2018
Liabilities		
Non-current liabilities	1,497,888	1,561,922
Bonds payable	494,991	554,991
Long-term loans payable	891,200	875,043
Lease obligations	353	368
Other provision	120	152
Net defined benefit liability	58,079	55,176
Asset retirement obligations	11,971	28,484
Deferred tax liabilities	23,387	22,437
Other	17,783	25,266
Current liabilities	344,377	249,174
Current portion of non-current liabilities	208,760	114,307
Short-term loans payable	24,957	16,803
Notes and accounts payable-trade	24,616	25,539
Accrued taxes	19,843	26,303
Other provision	267	292
Asset retirement obligations	592	341
Deferred tax liabilities	5	73
Other	65,333	65,512
Total liabilities	1,842,266	1,811,096
Net assets		
Shareholders' equity	689,542	745,176
Capital stock	180,502	180,502
Capital surplus	119,927	119,927
Retained earnings	389,117	444,753
Treasury shares	(5)	(6)
Accumulated other comprehensive income	34,276	42,114
Valuation difference on available-for-sale securities	15,594	16,822
Deferred gains or losses on hedges	(2,183)	(6,580)
Foreign currency translation adjustment	21,295	30,960
Remeasurements of defined benefit plans	(430)	912
Non-controlling interests	40,200	48,833
Total net assets	764,019	836,124
Total liabilities and net assets	2,606,285	2,647,221

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated statement of income

(Unit: million yen)

	Year ended Mar. 31, 2017	Year ended Mar. 31, 2018
Operating revenue	744,402	856,252
Electric utility operating revenue	538,558	631,923
Overseas business operating revenue	149,888	163,084
Other business operating revenue	55,955	61,244
Operating expenses	662,675	751,916
Electric utility operating expenses	487,766	566,143
Overseas business operating expenses	119,535	131,251
Other business operating expenses	55,374	54,521
Operating income	81,726	104,336
Non-operating income	20,526	29,113
Dividend income	1,689	1,577
Interest income	1,024	1,287
Share of profit of entities accounted for using equity method	13,258	9,721
Foreign exchange gains	1,770	11,179
Other	2,783	5,347
Non-operating expenses	35,103	30,974
Interest expenses	29,798	28,387
Other	5,304	2,586
Total ordinary revenue	764,929	885,366
Total ordinary expenses	697,779	782,890
Ordinary income	67,150	102,476
Extraordinary losses	-	3,389
Impairment loss	-	3,389
Profit before income taxes	67,150	99,086
Income taxes-current	18,634	20,124
Income taxes-deferred	2,847	(3,700)
Total income taxes	21,482	16,423
Profit	45,667	82,662
Profit attributable to non-controlling interests	4,238	14,213
Profit attributable to owners of parent	41,429	68,448

Consolidated statement of comprehensive income

(Unit: million yen)

	Year ended Mar. 31, 2017	Year ended Mar. 31, 2018
Profit	45,667	82,662
Other comprehensive income		
Valuation difference on available-for-sale securities	3,071	1,229
Deferred gains or losses on hedges	6,104	(4,134)
Foreign currency translation adjustment	(3,960)	10,385
Remeasurements of defined benefit plans, net of tax	12,379	1,341
Share of other comprehensive income of entities accounted for using equity method	(1,257)	812
Total other comprehensive income	16,336	9,634
Comprehensive income	62,004	92,297
(Comprehensive income attributable to abstract)		
Comprehensive income attributable to owners of parent	53,069	76,286
Comprehensive income attributable to non-controlling interests	8,934	16,010

(3) Consolidated Statement of Changes in Equity

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

Year ended Mar. 31, 2018

(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	119,927	389,117	(5)	689,542
Cumulative effects of changes in accounting policies					-
Restated balance	180,502	119,927	389,117	(5)	689,542
Changes of items during period					
Dividends of surplus			(12,813)		(12,813)
Profit attributable to owners of parent			68,448		68,448
Purchase of treasury shares				(1)	(1)
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	-	-	55,635	(1)	55,633
Balance at the end of current period	180,502	119,927	444,753	(6)	745,176

	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	15,594	(2,183)	21,295	(430)	34,276	40,200	764,019
Cumulative effects of changes in accounting policies							-
Restated balance	15,594	(2,183)	21,295	(430)	34,276	40,200	764,019
Changes of items during period							
Dividends of surplus							(12,813)
Profit attributable to owners of parent							68,448
Purchase of treasury shares							(1)
Change in ownership interest of parent due to transactions with non-controlling interests							-
Net changes of items other than shareholders' equity	1,227	(4,397)	9,664	1,342	7,838	8,633	16,471
Total changes of items during period	1,227	(4,397)	9,664	1,342	7,838	8,633	72,105
Balance at the end of current period	16,822	(6,580)	30,960	912	42,114	48,833	836,124

(4) Consolidated Statement of Cash Flows

(Unit: million yen)

	Year ended Mar. 31, 2017	Year ended Mar. 31, 2018
Cash flows from operating activities		
Profit before income taxes	67,150	99,086
Depreciation and amortization	75,660	82,298
Impairment loss	2,624	3,389
Loss on retirement of non-current assets	2,842	3,039
Increase (decrease) in net defined benefit liability	9,276	(1,046)
Interest and dividend income	(2,713)	(2,864)
Interest expenses	29,798	28,387
Decrease (increase) in notes and accounts receivable- trade	(13,433)	(10,801)
Decrease (increase) in inventories	(5,503)	(5,121)
Increase (decrease) in notes and accounts payable- trade	(6,477)	(2,143)
Share of (profit) loss of entities accounted for using equity method	(13,258)	(9,721)
Other, net	6,786	6,863
Subtotal	152,753	191,366
Interest and dividend income received	13,229	16,620
Interest expenses paid	(30,224)	(28,486)
Income taxes paid	(20,317)	(19,190)
Net cash provided by (used in) operating activities	115,440	160,310
Cash flows from investing activities		
Purchase of non-current assets	(108,149)	(98,816)
Payments of investment and loans receivable	(18,005)	(8,149)
Collection of investment and loans receivable	2,577	2,243
Other, net	(14,086)	(4,913)
Net cash provided by (used in) investing activities	(137,663)	(109,635)

(Unit: million yen)

	Year ended Mar. 31, 2017	Year ended Mar. 31, 2018
Cash flows from financing activities		
Proceeds from issuance of bonds	79,702	99,633
Redemption of bonds	(90,000)	(160,100)
Proceeds from long-term loans payable	83,762	56,510
Repayments of long-term loans payable	(69,108)	(53,280)
Increase in short-term loans payable	87,663	67,708
Decrease in short-term loans payable	(90,194)	(75,813)
Proceeds from issuance of commercial papers	15,000	15,000
Redemption of commercial papers	(15,000)	(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)	(12,810)
Dividends paid to non-controlling interests	-	(7,342)
Other, net	(916)	(329)
Net cash provided by (used in) financing activities	30,461	(85,825)
Effect of exchange rate change on cash and cash equivalents	267	3,536
Net increase (decrease) in cash and cash equivalents	8,505	(31,614)
Cash and cash equivalents at beginning of period	159,949	168,454
Cash and cash equivalents at end of period	168,454	136,840

(5) Notes on Premise of Going Concern

Not applicable.

(6) Changes in Accounting Policies, Changes in Accounting Estimates and Restatement of Corrections

Changes in Accounting Estimates

(Changes in estimates for asset retirement obligations)

Some consolidated subsidiaries which operate wind power business have asset retirement obligations booked in association with their obligation to restore the original state stipulated in real estate lease contracts. With newly obtained information regarding recent track records of restoration, we have changed the estimation for restoration cost needed at the end of operations. The asset retirement obligations increased 11,863 million yen due to this change of estimation.

Operating income, ordinary income and profit before income taxes for the year ended March 31, 2018 decreased 2,010 million yen respectively with this change in estimation.

(7) Notes to Consolidated Financial Statements

(Segment Information)

1. Overview of reportable segments

The J-POWER Group is comprised of J-POWER (parent company), 71 subsidiaries and 107 affiliates (as of March 31, 2018), 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 affiliates; "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, 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:

- The breakdown of adjustments is as follows.
 - The adjustment amount of (1,912) million yen in segment income includes elimination of transaction amounts between segments of (1,951) million yen.
 - The adjustment amount of (164,360) million yen in segment assets includes elimination of (153,714) million yen for the offsetting of receivables.
 - The adjustment amount of (1,728) million yen in depreciation and amortization includes elimination of transaction amounts between segments of (1,676) million yen.
 - 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.
- Segment income is adjusted with ordinary income within consolidated financial statements.

· Year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(Unit: million yen)

	Electric Power	Electric Power Related	Overseas	Other	Subtotal	Adjustments	Consolidated
Sales							
Sales to external customers	631,923	36,934	163,084	24,309	856,252	-	856,252
Intersegment sales and transfer	1,792	375,799	-	2,948	380,539	(380,539)	-
Total sales	633,715	412,734	163,084	27,258	1,236,792	(380,539)	856,252
Segment income	39,561	23,098	40,528	1,258	104,446	(1,970)	102,476
Segment assets	1,896,026	265,834	637,741	17,979	2,817,581	(170,359)	2,647,221
Other items							
Depreciation and amortization	60,606	5,786	17,443	282	84,118	(1,819)	82,298
Interest income	118	314	885	68	1,387	(99)	1,287
Interest expenses	14,178	133	14,083	92	28,487	(99)	28,387
Equity income of affiliates	178	-	9,543	-	9,721	-	9,721
Investment in affiliates	17,473	-	164,667	-	182,140	-	182,140
Increase in the tangible and intangible non-current assets	100,129	3,639	5,018	346	109,134	(10,417)	98,716

Notes:

1. The breakdown of adjustments is as follows.

- (1) The adjustment amount of (1,970) million yen in segment income includes elimination of transaction amounts between segments of (1,996) million yen.
- (2) The adjustment amount of (170,359) million yen in segment assets includes elimination of (154,665) million yen for the offsetting of receivables.
- (3) The adjustment amount of (1,819) million yen in depreciation and amortization includes elimination of transaction amounts between segments of (1,768) 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.

(Per Share Information)

	Year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)	Year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)
Net assets per share	yen 3,954.22	yen 4,300.98
Earnings per share	226.33	373.93

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, 2017 (from April 1, 2016 to March 31, 2017)	Year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)
Profit attributable to owners of parent	41,429 million yen	68,448 million yen
Amount not attributable to ordinary shareholders	-	-
Profit attributable to shareholders of common stock of parent	41,429 million yen	68,448 million yen
Average number of common stock outstanding during the year	183,049 thousand	183,049 thousand

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

	Year ended March 31, 2017 (as of March 31, 2017)	Year ended March 31, 2018 (as of March 31, 2018)
Total net assets	764,019 million yen	836,124 million yen
Elimination from total net assets	40,200 million yen	48,833 million yen
[non-controlling interests included in the above]	[40,200 million yen]	[48,833 million yen]
Year-end net assets related to common stock	723,819 million yen	787,291 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

(Significant subsequent event)

Not applicable.

4. Appendixes

[Appendix 1]

Revenues and Expenses (Consolidated)

(Unit: million yen)

	Year ended Mar. 31, 2017 (A)	Year ended Mar. 31, 2018 (B)	Year-on-year change	
			(B-A)	(B-A)/A
Operating revenue	744,402	856,252	111,850	15.0%
<u>Electric utility operating revenue</u>	538,558	631,923	93,365	17.3%
Sold power to other suppliers	487,263	577,861	90,598	18.6%
Transmission revenue	49,021	48,679	(342)	(0.7)%
Other electricity revenue	2,273	5,382	3,108	136.8%
<u>Overseas business operating revenue</u>	149,888	163,084	13,195	8.8%
Other business operating revenue	55,955	61,244	5,289	9.5%
Operating expenses	662,675	751,916	89,240	13.5%
<u>Electric utility operating expenses</u>	487,766	566,143	78,376	16.1%
Personnel expense	44,079	33,032	(11,047)	(25.1)%
Fuel cost	203,553	267,549	63,996	31.4%
Repair expense	65,849	61,346	(4,503)	(6.8)%
Consignment cost	37,903	40,448	2,544	6.7%
Taxes and duties	24,519	25,732	1,213	4.9%
Depreciation and amortization cost	52,973	58,838	5,865	11.1%
Other	58,886	79,194	20,307	34.5%
<u>Overseas business operating expenses</u>	119,535	131,251	11,716	9.8%
Other business operating expenses	55,374	54,521	(852)	(1.5)%
Operating income	81,726	104,336	22,609	27.7%
Non-operating income	20,526	29,113	8,587	41.8%
Dividend income	1,689	1,577	(112)	(6.7)%
Interest income	1,024	1,287	263	25.8%
Share of profit of entities accounted for using equity method	13,258	9,721	(3,536)	(26.7)%
Foreign exchange gains	1,770	11,179	9,408	531.3%
Other	2,783	5,347	2,564	92.1%
Non-operating expenses	35,103	30,974	(4,129)	(11.8)%
Interest expenses	29,798	28,387	(1,410)	(4.7)%
Other	5,304	2,586	(2,718)	(51.2)%
Total ordinary revenue	764,929	885,366	120,437	15.7%
Total ordinary expenses	697,779	782,890	85,111	12.2%
Ordinary income	67,150	102,476	35,325	52.6%
Extraordinary loss	-	3,389	3,389	-
Profit before income taxes	67,150	99,086	31,935	47.6%
Income taxes - current	18,634	20,124	1,489	8.0%
Income taxes - deferred	2,847	(3,700)	(6,548)	-
Profit	45,667	82,662	36,994	81.0%
Profit attributable to non-controlling interests	4,238	14,213	9,975	235.3%
Profit attributable to owners of parent	41,429	68,448	27,019	65.2%

[Appendix 2]

(1) Generation capacity

(Unit: kW)

	Year ended Mar. 31, 2017 (A)	Year ended Mar. 31, 2018 (B)	Year-on-year change (B-A)
Electric power business	17,765,349	17,789,299	23,950
Hydroelectric power	8,571,269	8,572,219	950
Thermal power	8,750,420	8,773,420	23,000
Wind power	443,660	443,660	-
Overseas business	3,990,000	3,990,000	-
Total	21,755,349	21,779,299	23,950

(2) Electricity sales volume

(Unit: GWh)

	Year ended Mar. 31, 2017 (A)	Year ended Mar. 31, 2018 (B)	Year-on-year change (B-A)
Electric power business	62,791	67,090	4,299
Hydroelectric power	8,508	9,247	739
Thermal power	53,513	57,018	3,504
Wind power	769	824	55
Overseas business	14,687	15,871	1,183
Total	77,479	82,962	5,482

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

(Unit: %)

	Year ended Mar. 31, 2017 (A)	Year ended Mar. 31, 2018 (B)	Year-on-year change (B-A)
Water supply rate	92	105	13
Load factor*	75	80	5

[Appendix 3]

Revenues and Expenses (Non-consolidated)

(Unit: million yen)

	Year ended Mar. 31, 2017 (A)	Year ended Mar. 31, 2018 (B)	Year-on-year change	
			(B-A)	(B-A)/A
Operating revenue	522,460	614,591	92,130	17.6%
<u>Electric utility operating revenue</u>	510,909	601,475	90,566	17.7%
Sold power to other suppliers	457,953	545,659	87,706	19.2%
Transmission revenue	49,021	48,679	(342)	(0.7)%
Other electricity revenue	3,933	7,136	3,202	81.4%
<u>Incidental business operating revenue</u>	11,551	13,115	1,564	13.5%
Operating expenses	494,829	571,519	76,690	15.5%
<u>Electric utility operating expenses</u>	484,288	559,300	75,011	15.5%
Personnel expense	43,657	34,205	(9,451)	(21.6)%
Fuel cost	196,843	257,308	60,464	30.7%
Repair expense	68,348	63,458	(4,889)	(7.2)%
Taxes and duties	23,824	24,758	934	3.9%
Depreciation and amortization cost	49,696	53,469	3,772	7.6%
Other	101,919	126,099	24,180	23.7%
<u>Incidental business operating expenses</u>	10,540	12,219	1,678	15.9%
Operating income	27,630	43,071	15,440	55.9%
Non-operating income	45,458	27,036	(18,421)	(40.5)%
Non-operating expenses	16,619	17,648	1,028	6.2%
Financial expenses	15,739	14,526	(1,213)	(7.7)%
Other	879	3,122	2,242	255.0%
Total ordinary revenue	567,919	641,628	73,709	13.0%
Total ordinary expenses	511,449	589,168	77,719	15.2%
Ordinary income	56,470	52,460	(4,009)	(7.1)%
Extraordinary loss	-	3,205	3,205	-
Profit before income taxes	56,470	49,254	(7,215)	(12.8)%
Income taxes – current	7,691	10,350	2,659	34.6%
Income taxes – deferred	(2,773)	(3,033)	(260)	9.4%
Profit	51,552	41,938	(9,614)	(18.6)%