J-POWER EPDC

J-POWER Group
Annual Report
2016

PROFILE

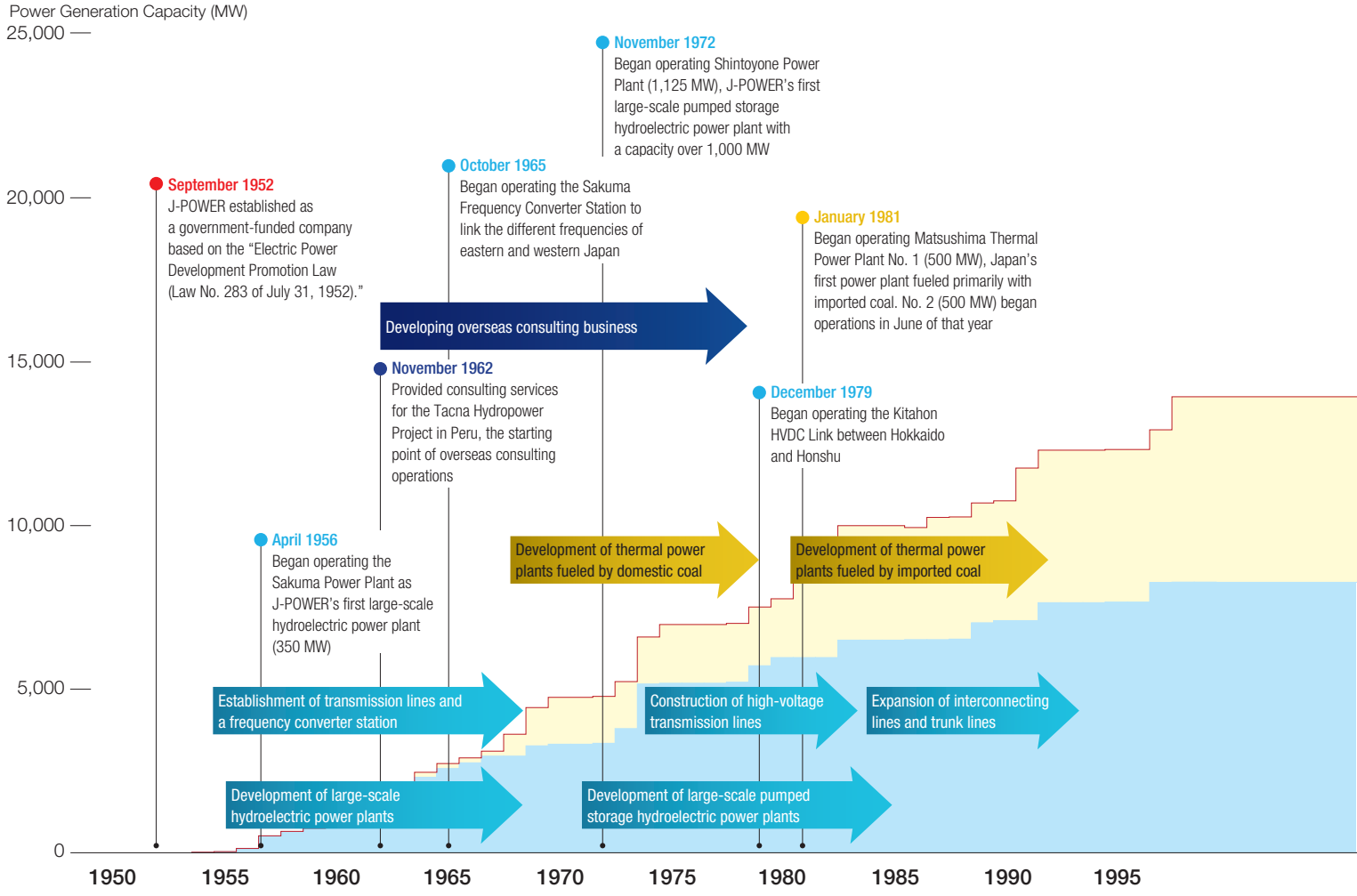
J-POWER (Electric Power Development Co., Ltd.) is a power generator with operations throughout Japan and overseas. Since its establishment by the government in 1952 to overcome the power shortages in postwar Japan, J-POWER has developed its business in the wholesale supply of hydroelectric and thermal power, conducted a power transmission business through its trunk transmission lines that connect each domestic region, and contributed to the stable supply of electric power in Japan.

Listed on the Tokyo Stock Exchange's First Section and thus becoming fully privatized in 2004, J-POWER has been developing new businesses, including electric power generation businesses in foreign countries where growth is expected, and renewable energy, such as wind and geothermal power.

By making the most of its expertise regarding leading-edge technologies developed throughout the world and its proven record of trustworthy performance, J-POWER is making steady and farsighted progress on the basis of its "coexistence of energy and the environment" concept.

J-POWER's History

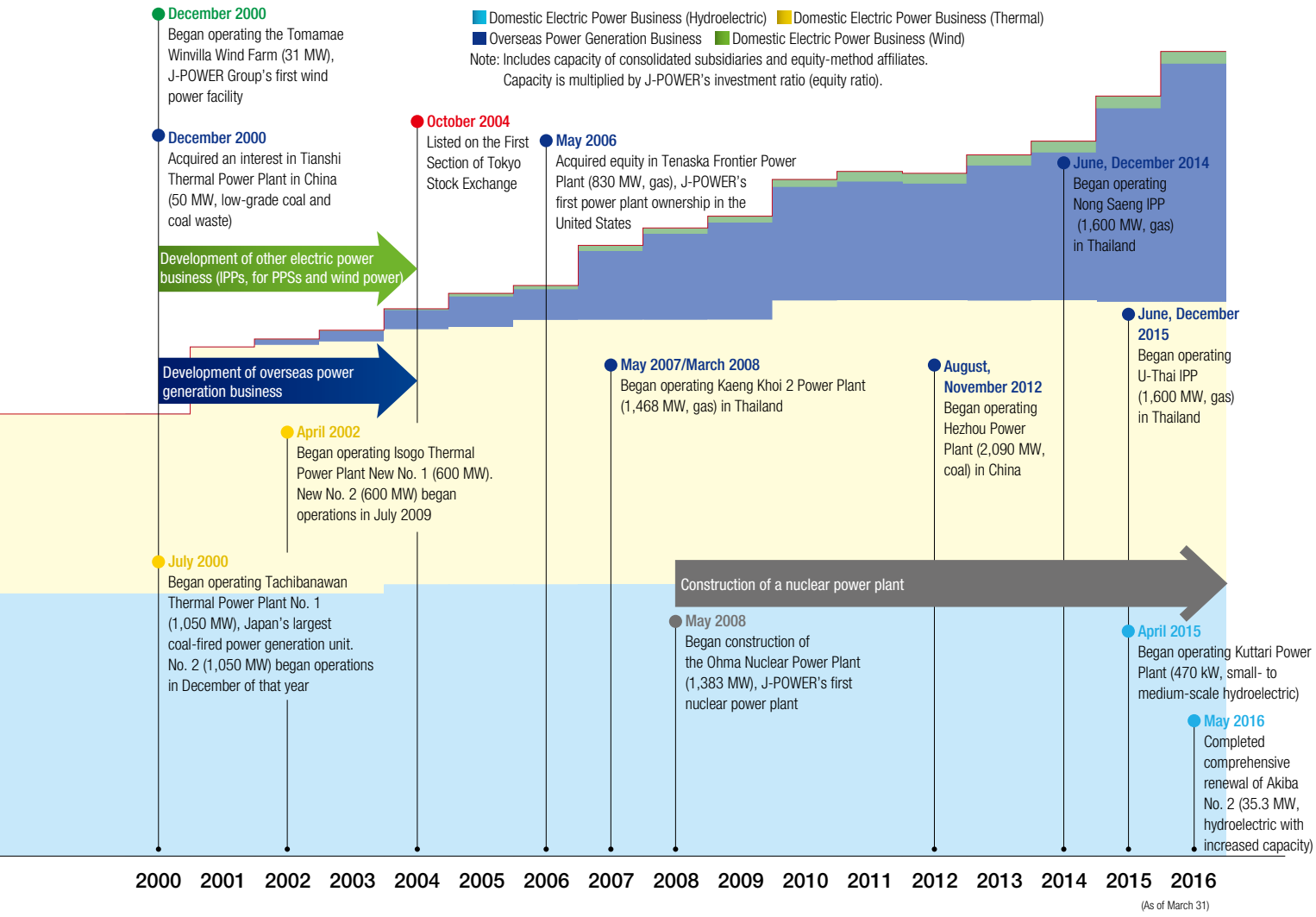
Trends in J-POWER's Power Generation Capacity



CONTENTS

Corporate Philosophy

Our Mission	**We will meet people's needs for energy without fail, and play our part for the sustainable development of Japan and the rest of the world.**
Our Credo	**We value integrity and pride, which drive everything we do.** **We pursue harmony with the environment, and thrive in the trust of communities where we live and work.** **We regard profits as the source of our growth, and share the fruits with the society.** **We refine our knowledge constantly, to be the pioneering leader in technologies and wisdom.** **We unite diverse personalities and passions as one, and dare create a better tomorrow.**



Forward-Looking Statements
Statements in this annual report, other than those of historical fact, are forward-looking statements about the future performance of J-POWER that are based on management's assumptions and beliefs in light of information currently available, and involve both known and unknown risks and other uncertainties. Actual events and results may differ materially from those anticipated in these statements.

Presentation of Monetary Amounts and Other Figures
For monetary amounts and electric power sales, figures less than the indicated unit are rounded down. For other amounts, figures less than the indicated unit are rounded to the nearest unit unless otherwise mentioned.

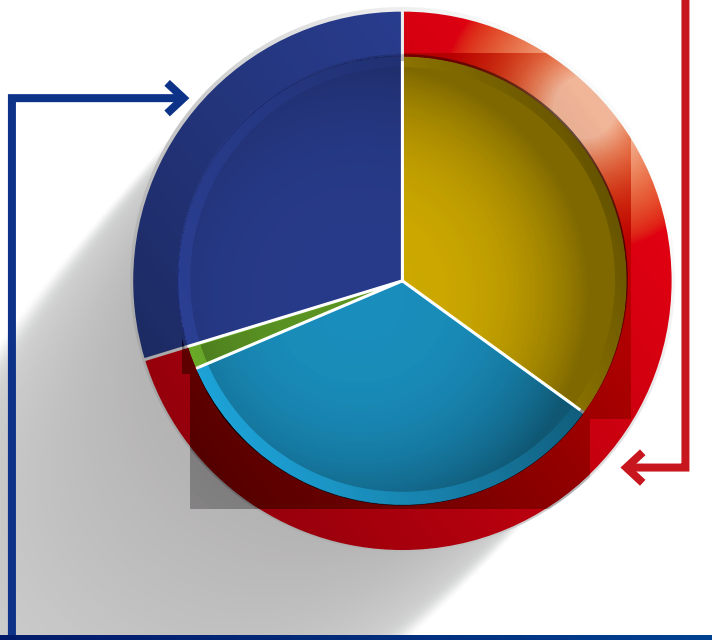
Consolidated Power Generation Capacity in Operation (Owned Capacity Basis)

(As of August 31, 2016)

Domestic 74% 17,836 MW

Thermal	8,849 MW*	37%
Hydroelectric	8,571 MW	35%
Wind Power	415 MW	2%

* Includes geothermal power generation



Overseas 26% 6,308 MW

Thailand	3,300 MW
United States	1,442 MW
China	910 MW
Other areas	656 MW

J-POWER Group's Electric Power Business—Supporting the Stable Supply of Electric Power in Japan

Domestic

J-POWER's core business is its electric power generation business comprising power plants it owns and operates throughout Japan that supply electricity to electric power retailers. We also employ our transmission and transforming facilities to provide transmission services.

Isogo Thermal Power Plant (Kanagawa Prefecture)

Global Business Development

Overseas

J-POWER is leveraging its almost 50 years of overseas achievements and know-how as it engages in its overseas power generation business and overseas consulting business. J-POWER is contributing to the stable supply of electric power and sustainable development throughout the world.

U-Thai IPP (Thailand)

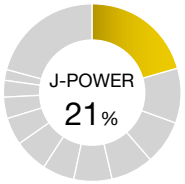
Electric Power Business

Thermal Power

Highly Economical Base Energy Source

J-POWER owns thermal power generation facilities with a total capacity of 8,849 MW, including the top share of coal-fired thermal power generation capacity in Japan (an owned capacity of 8,527 MW). The special feature of coal-fired thermal power generation is the lower cost per calorie compared with power generation by crude oil, LNG, and other fossil fuels. Reflecting the use of coal-fired facilities to meet base demand, they have high capacity load factors and can be said to be outstanding sources of power in terms of economy.

Share of Coal-Fired Power Generation Capacity in Japan
(As of March 31, 2016)



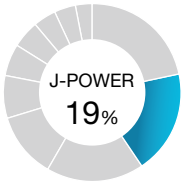
Sources: Reports issued by the Federation of Electric Power Companies of Japan and the Agency for Natural Resources and Energy

Hydroelectric Power

Purely Domestic, CO_2-Free Energy

J-POWER owns 60 hydroelectric power plants with a total capacity of 8,571 MW, making it Japan's second-ranked company in terms of hydropower generation capacity. Hydroelectric power represents a valuable purely domestic energy resource and, as a CO_2-free power source, plays a central role in renewable energy. Moreover, because hydroelectric power plants are able to rapidly respond to changes in electricity demand, they are used mainly in the daytime, when demand reaches its peak levels.

Share of Hydroelectric Power Generation Capacity in Japan
(As of March 31, 2016)



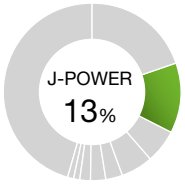
Source: Reports issued by the Agency for Natural Resources and Energy

Wind Power

Power Generation Business for a Low-Carbon Society

J-POWER owns 21 wind power facilities with a total capacity of 429 MW (also 415 MW on an owned capacity basis; as of August 31, 2016), making it Japan's second-ranked company in terms of wind power generation capacity. Because wind power is a clean, CO_2-free power source and a form of renewable energy, J-POWER will continue promoting new wind power development going forward.

Share of Wind Power Generation Capacity in Japan
(As of March 31, 2016)



Source: Compiled from Japan Wind Power Association Materials

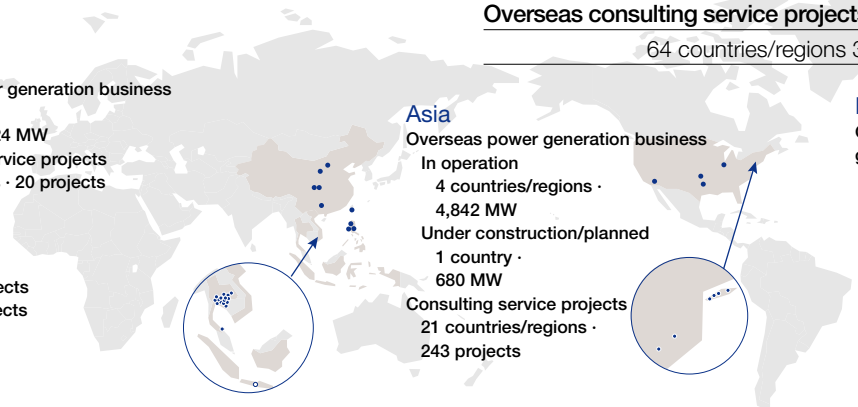
Transmission/Transformation

Core Infrastructure Supporting Japan's Electric Power Network

J-POWER has major transmission lines with a total length of approximately 2,400 km, including trunk lines that connect Honshu with Hokkaido, Shikoku, and Kyushu. We also own a frequency converter station that links the different frequencies of eastern and western Japan. These facilities are key infrastructure elements that play extremely important roles in the comprehensive management of Japan's nationwide power grid.

Overseas Power Generation Business

From the late 1990s, J-POWER has been working on its overseas power generation business, which invests the Company's funds and technology and participates in electric power generation projects. As of August 31, 2016, the J-POWER Group owns power generation facilities that are in operation in six countries and regions, including Thailand, the United States, and China. These facilities have a total capacity of 6,308 MW (owned capacity basis). Furthermore, in Indonesia, the Company is advancing a high-efficiency, coal-fired thermal power plant project (total output of 2,000 MW), aiming for completion in 2020.



Europe
Overseas power generation business
In operation
1 country · 24 MW
Consulting service projects
14 countries · 20 projects

Middle East/Africa
Consulting service projects
15 countries · 42 projects

Asia
Overseas power generation business
In operation
4 countries/regions · 4,842 MW
Under construction/planned
1 country · 680 MW
Consulting service projects
21 countries/regions · 243 projects

North America
Overseas power generation business
In operation
1 country · 1,442 MW
Consulting service projects
1 country · 1 project

Central and South America
Consulting service projects
13 countries · 49 projects

Overseas Consulting Business

J-POWER has conducted its overseas consulting business, which involves technical cooperation related to electric power development and environmental preservation, since the 1960s. As of March 2016, the Company has executed a cumulative total of 355 projects in 64 countries and regions.

Overseas power generation business (As of August 31, 2016)

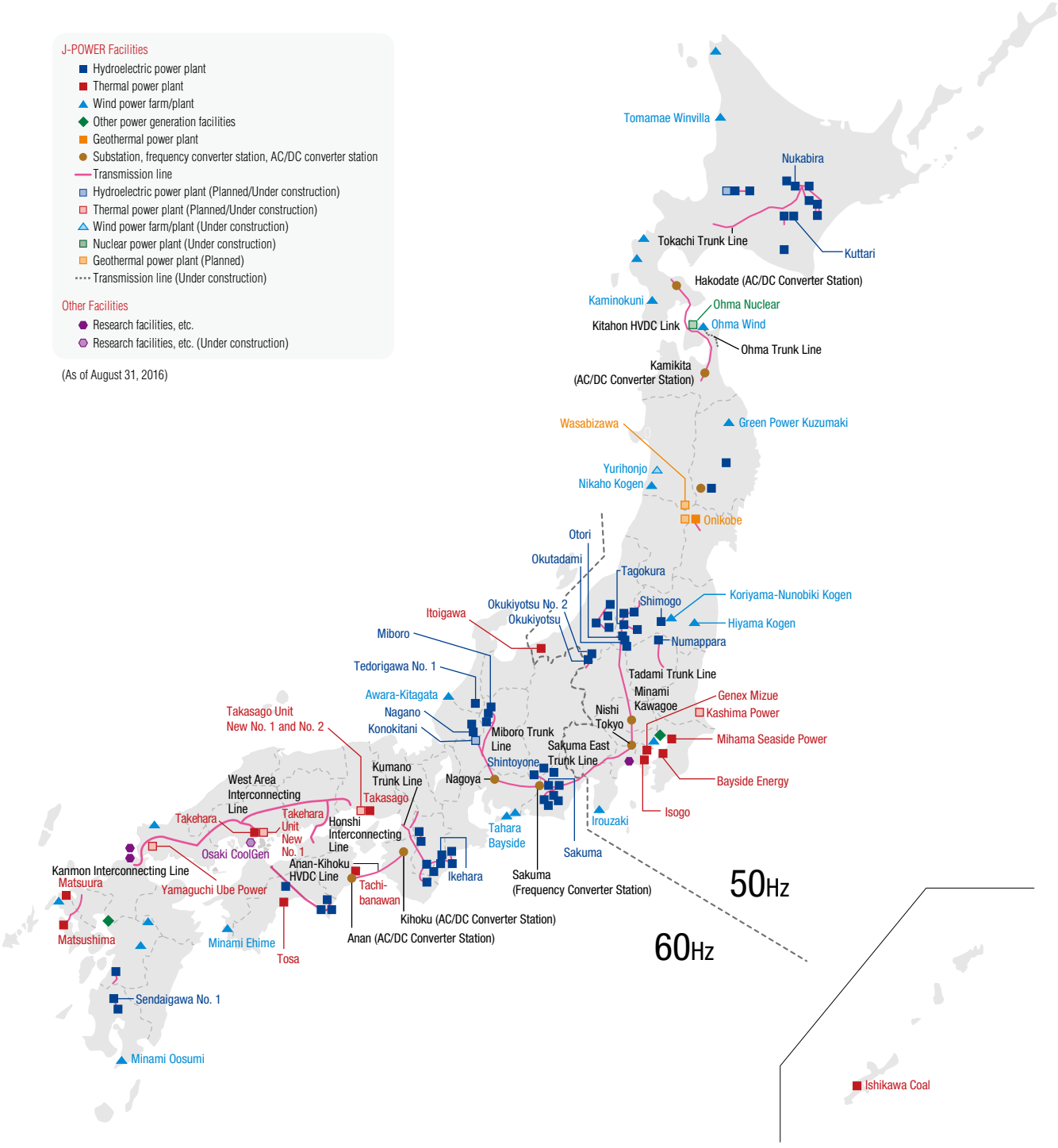
● In operation	6 countries/ regions	36 projects	Owned capacity 6,308 MW
○ Under construction/ planned	1 country	1 project	Owned capacity 680 MW

Overseas consulting service projects (cumulative, as of March 31, 2016)

64 countries/regions 355 projects

Through its ownership and operation of power plants with a total capacity of 17,836 MW,* transmission lines extending approximately 2,400 km, and substations, the J-POWER Group plays a vital role in maintaining a stable supply of electric power throughout Japan.

* Owned capacity, calculated by multiplying each facility's total capacity by J-POWER's investment ratio (equity ratio).



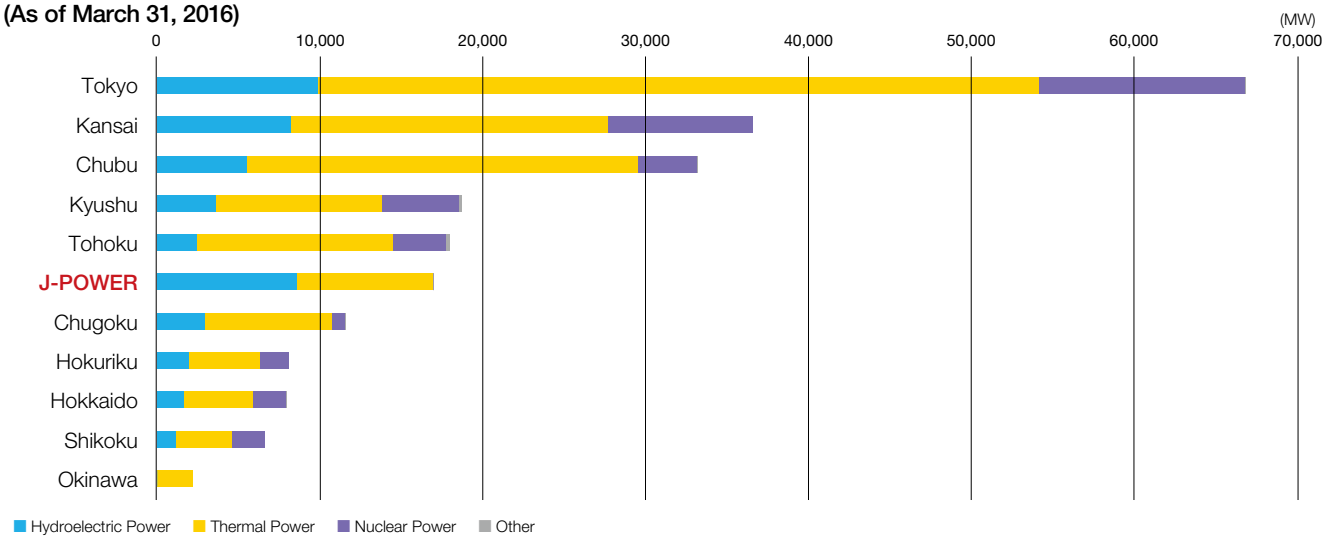
Domestic Electric Power Business Facilities (In Operation)

(As of August 31, 2016)

J-POWER Facilities		
Power generation facilities		
Hydroelectric power plants	60	8,571 MW
Thermal power plants (including 1 geothermal plant)*	13	9,123 MW
Wind power farms/plants*	21	429 MW
Other power generation facilities	2	32 MW
Total	96	18,156 MW
Transmission lines		2,407.9 km
AC power transmission lines		2,140.7 km
DC power transmission lines		267.2 km
Substations	4	4,301 MVA
Frequency converter station	1	300 MW
AC/DC converter stations	4	2,000 MW
Wireless communication facilities (circuit length)		5,986 km

* Not taking investment ratio (equity ratio) into account

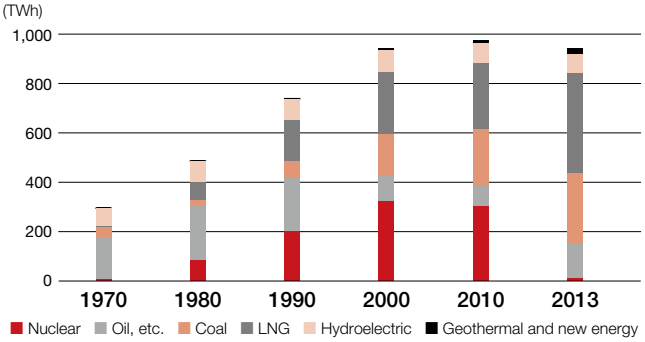
Power Generating Capacity of J-POWER (Wholesale Electric Power Business) and 10 Electric Power Companies (EPCOs) (As of March 31, 2016)



Source: Reports issued by the Agency for Natural Resources and Energy

Power Generation by Power Source in Japan

While hydroelectric power previously accounted for the bulk of electric power generating capacity in Japan, there was later a shift to the use of thermal power fueled by abundant and inexpensive oil. Since the oil shocks, the development of coal-fired and natural gas-fired thermal power generation as well as nuclear power has advanced, and efforts have been made to diversify power generation methods. The operation of nuclear power plants in Japan has been suspended since the accident at the Fukushima Daiichi Nuclear Power Plant in 2011, making coal and gas-fired thermal power the main pillar of electricity supply in Japan.



Note: Figures for oil, etc., include figures for LPG, other kinds of gas, and bituminous substances (including power received). Figures for total power generation volume are for the 10 EPCOs (including power received).

Source: Agency for Natural Resources and Energy

Electricity System Reform

Until now, the electric power supply system has comprised the traditional, vertically integrated electric power companies (EPCOs); wholesale power companies, including J-POWER, and wholesale suppliers (IPPs) that supply electricity to EPCOs; and power producers and suppliers (PPSs). Amid a trend toward enhanced electric power industry liberalization, the revision of the Electricity Business Act created systems that enabled the creation of IPPs and PPSs and allowed companies other than electric power companies to engage in the wholesale supply of power to electric power companies as well as the retail distribution of power from 1995 onward. Since 2005, electric power transactions have been carried out at the Japan Electric Power Exchange (JEPX).

Due in part to the Great East Japan Earthquake and the accident at TEPCO's Fukushima Daiichi Nuclear Power Plant, electricity generation costs have been rising, and the balance of electric power supply and demand in Japan is tightening. In response, the government is advancing electricity system reform as part of efforts to rebuild its energy policy.

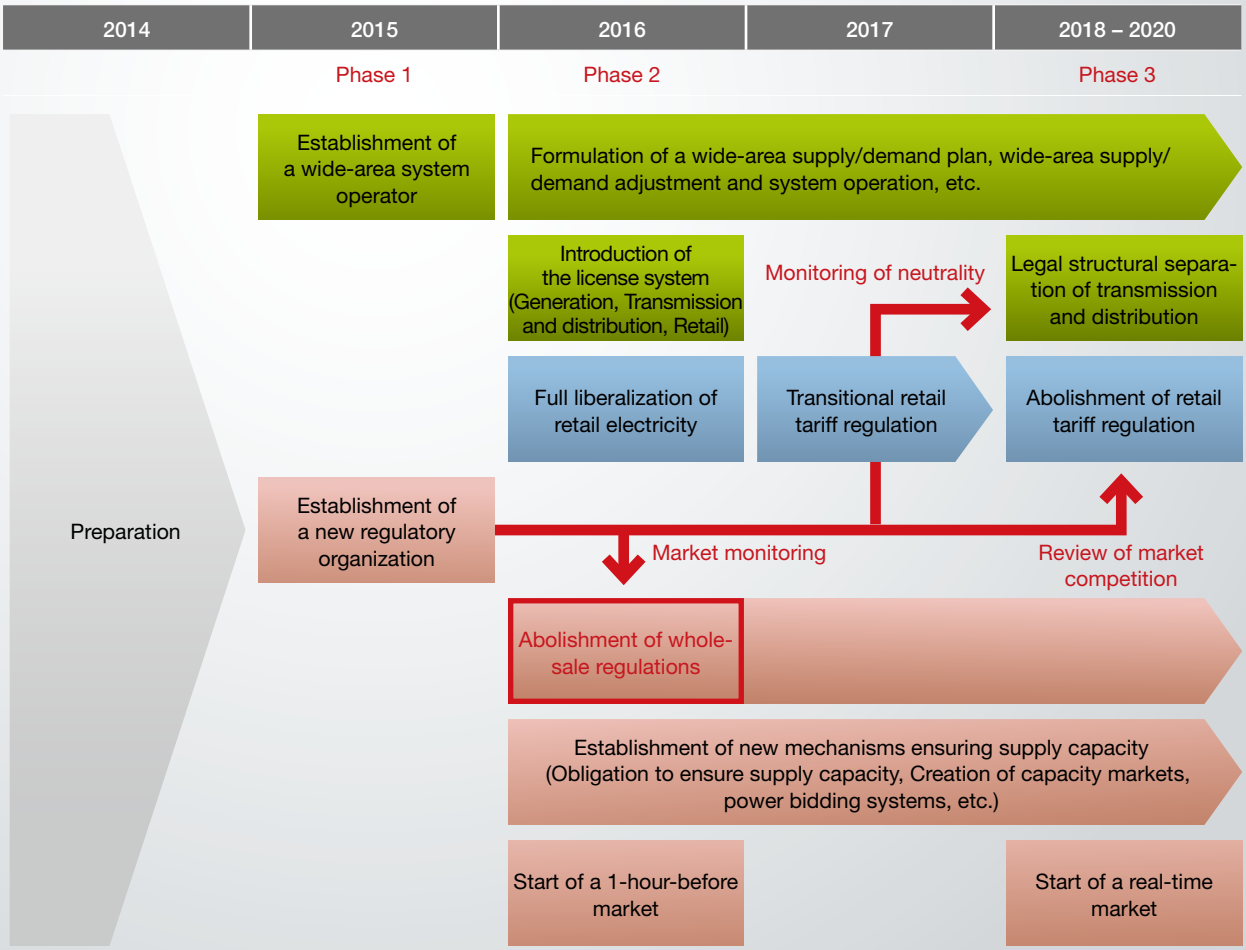
The three goals of the reform are securing the stable supply of electricity, suppressing electricity rates to the maximum extent possible, and providing consumers with choices as well as business operators with opportunities to expand their businesses. To achieve these goals, electricity system reform will be implemented in three stages, namely expanding the operations of wide-area electricity grids, fully liberalizing the retail market and power generation, and further securing the neutrality of the power transmission/distribution sector through legal unbundling.

So far, based on the Policy on Electricity System Reform approved by the Cabinet in April 2013, the Electricity Business Act was amended in November 2013, and the Organization for Cross-regional Coordination of Transmission Operators (OCCTO) was established in April 2015. In line with the Electricity Business Act amendment of June 2014, entry into the retail market was fully liberalized and electricity wholesale regulations*1 abolished in April 2016. Furthermore, in June 2015, the Electricity Business Act was amended to include provisions for the legal unbundling of the transmission/distribution sector and revisions to electricity retail rate regulations (scheduled for 2020).*2

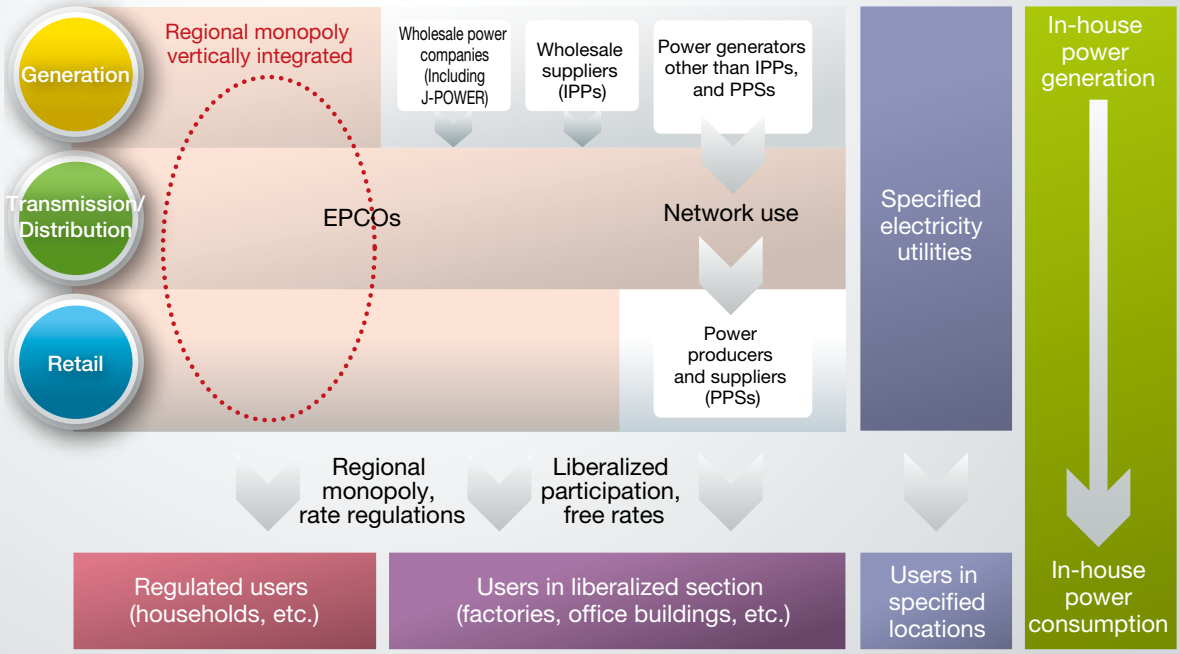
*1 Rates for the supply of electricity to EPCOs in excess of set amounts or time frames were calculated on a cost basis and submitted to the Minister of Economy, Trade and Industry.

*2 The full liberalization of retail rates for electricity will be implemented after the government has verified how much market competition has progressed.

Electricity System Reform Time Schedule

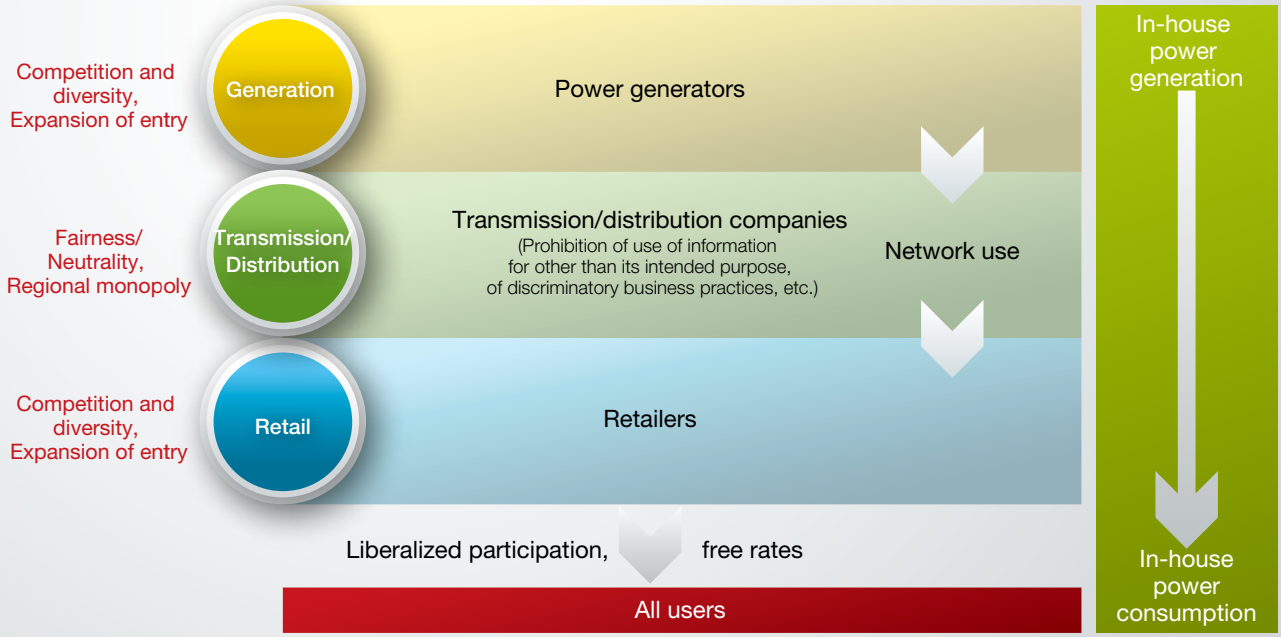


Electric Power Supply System before April 2016



Source: "The Power Industry after Electricity System Reforms," Advisory Committee for Natural Resources and Energy

Electricity Supply System after Reform



Source: "The Power Industry after Electricity System Reforms," Advisory Committee for Natural Resources and Energy

Steadily Advancing the Medium-Term Management Plan to Secure Further Growth

I was honored to assume the position of president of J-POWER in June 2016. In this role, I will do my utmost to help meet the expectations of our stakeholders.

Looking at Japan's electric power industry, in July 2015, the Japanese government published its Long-Term Energy Supply and Demand Outlook. The outlook sets energy mix targets for renewable energy, nuclear power, coal-fired thermal power, and other power sources, in addition to establishing new, internationally oriented CO_2 reduction targets. At the same time, the business environment is undergoing major changes, including the full-scale liberalization of retail business and the abolishment of wholesale regulations in April 2016 as well as the unbundling of power generation and transmission scheduled for 2020.

Responding to the changing landscape, in July 2015, the J-POWER Group established a Medium-Term Management Plan to address the challenge of achieving further growth over the next decade. The basic direction of our efforts under the plan comprise three initiatives: (1) creating 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) growing our overseas power generation business to contribute to sustainable development based on the energy circumstances in each region worldwide; and (3) conducting business in Japan and abroad as a leading company in coal-fired thermal power generation by accelerating the development of technology aimed at reducing the carbon emissions of coal-fired thermal power to adapt to measures addressing climate change.

At the moment, we are advancing preparations to begin trials in March 2017 at the Osaki CoolGen Project's demonstration plant. This plant will utilize oxygen-blown integrated coal gasification combined cycle (IGCC) technology to reduce carbon emissions from coal-fired thermal power, a key pillar of our growth strategies. Furthermore, in Japan, replacement construction at the Takehara Thermal Power Plant is progressing smoothly. Overseas, all our power generation projects in Thailand were online as of 2015, and we will soon begin in earnest the construction of a high-efficiency coal-fired thermal power plant in Indonesia. Through such efforts, the J-POWER Group is steadily advancing, step by step, toward the achievement of the goals of the Medium-Term Management Plan.

Meanwhile, there remain a number projects that have yet to get fully under way as we strive toward the goals of the plan; indeed, we have really only just begun to implement the plan. As president, I will continue striving to launch and bring these projects to fruition and thereby secure the continued growth of the J-POWER Group.

We will continue to do our utmost under our Corporate Philosophy: "We will meet people's needs for energy without fail, and play our part for the sustainable development of Japan and the rest of the world."

We are grateful as always for your continued support and patronage.

Toshifumi Watanabe
President
September 2016

Responding to Electricity System Reform

Question

The full-scale liberalization of the retail business and abolishment of wholesale regulations in Japan came into effect in April 2016. How will the J-POWER Group grow domestically?

Answer

Until now, J-POWER has supplied electricity to Japan's electric power companies (EPCOs) as a wholesale power company. From April 2016, however, we must compete for survival as one power generator among many.

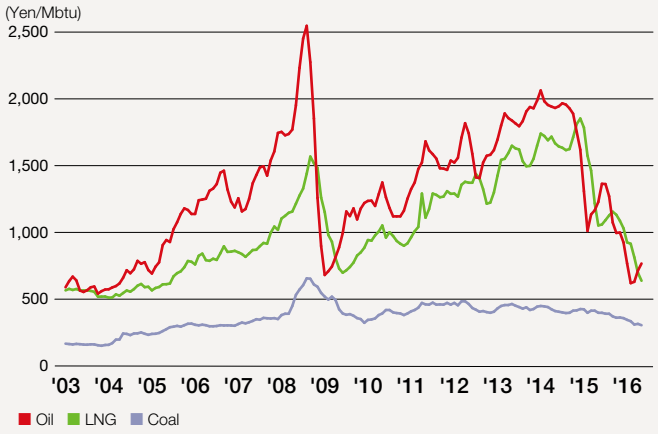
The key to surviving amid such competition is cost-competitiveness.

The majority of the J-POWER Group's power generation facilities use large-scale hydroelectric power generation, an entirely domestic source of CO_2-free energy, or coal-fired thermal power, the fuel for which can be procured more cheaply and stably than oil or liquid natural gas (LNG). As such, in terms of cost, we are amply competitive.

The graph at right shows the price per unit of thermal energy of oil, LNG, and coal imported to Japan over time. As the graph illustrates, even after the recent sharp drop in oil and LNG import prices due to lower resource prices worldwide, the price of coal is still lower. Furthermore, over the long term, oil and LNG prices fluctuate enormously, but coal prices remain stable and low. Based on these factors, we believe the cost-competitiveness of coal-fired thermal power is secure.

J-POWER is currently advancing the development of new coal-fired thermal power plants in Japan. These plants will begin to come online in 2020, further expanding our generation capacity.

Import Price of Fossil Fuel in Japan



Source: CIF price shown in Trade Statistics of Japan is converted at a rate of 252 Cal/Btu

The J-POWER Group will aim for further growth by leveraging the excellent cost-competitiveness of its coal-fired thermal power and other generation facilities.

Until now, we have operated the domestic electric power business basically on a cost basis, selling power at a price calculated to provide cost recovery plus a fair return. In a liberalized market, there is no guarantee that we will be able to obtain such compensation. As such, the range of variation in profitability due to such factors as the electricity market environment and the operational status of generation facilities will be wider than before.

In this sense, the best risk management we can implement as a power generator is to maintain the stable operation of our profitable power generation facilities. We will continue to pursue the ongoing optimization of maintenance and operations, working to increase productivity and thus the value of our facilities.

Furthermore, the J-POWER Group includes electric power generation businesses in the United States and other countries outside Japan. Using our experience in electric power businesses in such liberalized markets, we will work to implement appropriate risk management in the domestic market as it liberalizes.

The purpose of electricity system reform in Japan is to establish a healthy, competitive market. To realize this aim, cross-regional power grids, including transmission lines and substations, must function soundly. The J-POWER Group owns cross-regional connecting lines, a frequency converter station, and other such power grid facilities. To ensure a stable supply of electricity and support a healthy, competitive market, we are ramping up cross-regional efforts to upgrade and maintain the sound functioning of these facilities.

Business Based on Japan's Energy Mix

Question

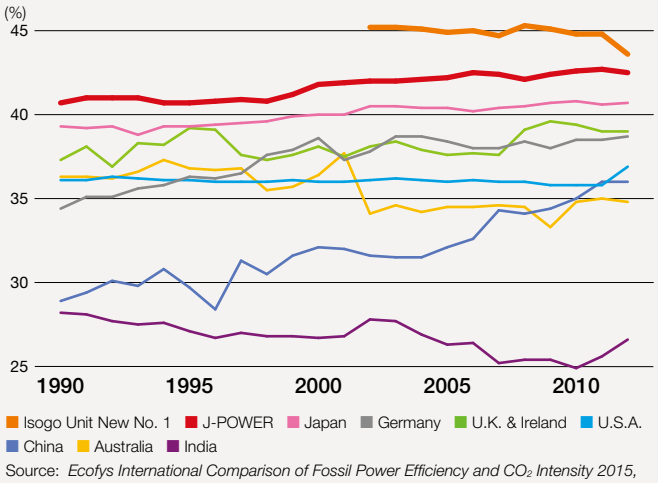
At COP21, Japan committed to reducing its greenhouse gas emissions 26% by fiscal 2030. Coal-fired thermal power generation emits more CO_2 than other methods. Does the J-POWER Group expect growth centered on coal-fired thermal power generation going forward?

Answer

Japan depends on imports for virtually all of its fossil fuels, and the country has gone through two oil shocks in the past. Utilizing a good balance of diverse energy sources is therefore essential. Because coal can be procured at prices that are both low and stable, as I mentioned before, coal-fired thermal power is positioned as an important baseload power source that accounts for 26% of the energy mix Japan is targeting for 2030. It is true, however, that coal produces a greater volume of CO_2, a greenhouse gas, than other fossil fuels. The government's Long-Term Energy Supply and Demand Outlook says about fossil fuels that it will "Realize higher efficiency of coal-fired and LNG-fired thermal power generation, and promote their effective utilization, while ensuring compatibility with reduction of environmental load."

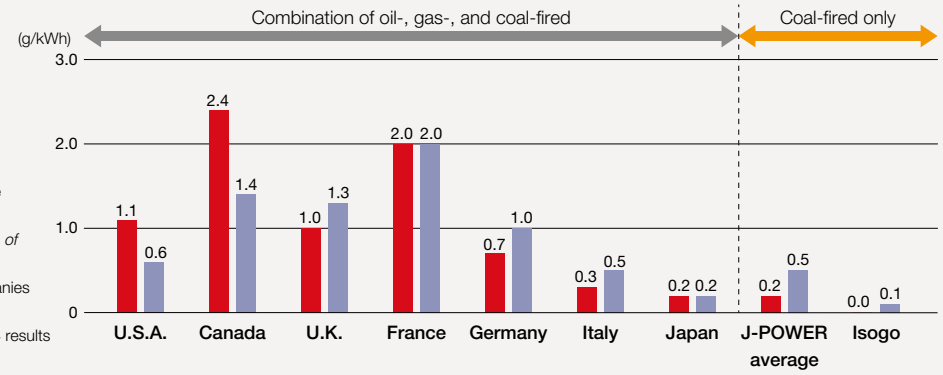
The electricity industry is building a voluntary framework so that the industry as a whole will be able to reach the CO_2 reduction target. To support these efforts, the government is creating and adjusting legal rules for power generators and retailers with the aim of securing effectiveness and transparency. As part of the electricity industry, the J-POWER Group is working to fulfill its responsibilities under this framework. Currently, to reduce CO_2 emissions from its coal-fired thermal

Average Gross Thermal Efficiency (LHV) of Coal-Fired Thermal Power Plants by Country



Source: *Ecofys International Comparison of Fossil Power Efficiency and CO_2 Intensity 2015*, results for J-POWER and Isogo Unit New No. 1

SOx and NOx Emissions per Unit of Thermal Power Generation



■ Sulfur oxides (SOx) ■ Nitrogen oxides (NOx)

Sources: Overseas: Emissions: OECD.StatExtract. Complete database available via OECD's iLibrary
Power generated: IEA *Energy Balances of OECD Countries*, 2014 edition
Japan: The Federation of Electric Power Companies of Japan (10 EPCOs and J-POWER).
J-POWER and Isogo figures are FY2014 results

power generation operations, the J-POWER Group is advancing the replacement of aging power generation facilities, such as those at the Takehara and Takasago plants, and developing new, high-efficiency coal-fired thermal power generation facilities using world-leading technology, such as the Kashima Power and Yamaguchi Ube Power projects.

Furthermore, we are developing IGCC, CSS, and other next-generation coal-fired thermal power generation technologies aimed at reducing CO_2 emissions. For example, we are actively advancing the Osaki CoolGen Project. As a leader in coal-fired thermal power generation, we will do our part to make coal-fired thermal power generation more efficient, with fewer carbon emissions.

The J-POWER Group has constantly been at the forefront in adopting cutting-edge coal-fired thermal power generation technologies over the decades. As a result, we possess not only high-efficiency power generation technologies that emit less CO_2, but also environmental technologies that reduce emissions of such atmospheric pollutants as sulfur oxides (SOx) and nitrogen oxides (NOx) to levels on par with gas-fired thermal power generation.

In addition, CO_2-free renewable energy sources account for about half of the J-POWER Group's generation capacity. We will continue working to actively expand our use of renewables.

Question

You said that you aim to expand the development of renewable energy. What initiatives are you implementing in this area?

Answer

Japan is targeting an energy mix in 2030 that includes 22% to 24% renewables, a major increase from the current level of about 10%. Constituting power sources that emit no greenhouse gases (i.e., CO_2), are fully domestically produced, and not dependant on imported fuel, renewable energy will only grow in importance.

Since its founding, the J-POWER Group has generated a great deal of electricity using hydroelectric power, which is fully domestically produced and CO_2-free. We boast the second-highest hydroelectric power generation capacity in Japan. We are also number two in wind power generation capacity. Wind power is expected to see accelerating growth going forward, and we will continue to actively advance new development in this area. Furthermore, the J-POWER Group will utilize its technological prowess in the field of renewable energy, developing new facilities for geothermal power generation—which, unlike many other CO_2-free power sources, is not influenced by weather, enabling a steady power supply year-round—as well as the combined combustion of biomass in coal-fired thermal power generation, thus remaining a top runner in this area.

Overseas Business Development

Question

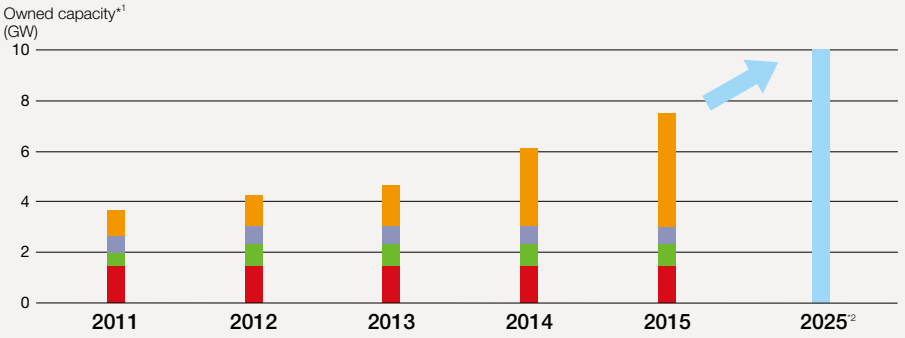
Please tell us about the Group's power generation business in Thailand and the progress of power generation business development in Indonesia.

Answer

In Thailand, Unit No. 2 of the U-Thai gas-fired thermal power plant came online in December 2015, marking the completion of the power generation projects we had been advancing through our consolidated subsidiaries in the country. With these new projects in Thailand in operation, the J-POWER Group now has a total owned capacity of 6,308 MW at its overseas power generation facilities. The ongoing steady operation of these facilities is expected to not only contribute to the J-POWER Group's profit, but also to Thailand's economic growth.

In Central Java, Indonesia, we are developing a coal-fired thermal power generation project. Indonesia's electricity demand is expected to rise sharply going forward. This project will help meet that demand with the construction of a 2,000 MW high-efficiency, coal-fired thermal power plant that will be fueled by Indonesia's abundant coal reserves. The plant is

Track Record of Overseas Business



■ U.S.A. ■ China ■ Others ■ Thailand

*1 Owned capacity is calculated by multiplying the capacity of each facility by J-POWER's equity ratio.

*2 Figures for FY2025 are targets.

slated for completion in 2020. We expect the use of the J-POWER Group's coal-fired thermal power generation technologies, which boast thermal efficiency that is among the highest in the world and cleanness on par with gas-fired generation, to help solve Indonesia's energy problems in a way that suits the country's circumstances.

Question

Will the overseas power generation business continue to expand going forward?

Answer

We foresee highly robust electricity demand in emerging countries, especially in Asia. As I said, the price of coal is low and stable, and as such there is strong demand for coal-fired thermal power in emerging countries. However, countermeasures to protect the environment from SOx, NOx, soot and other such pollutants and to reduce emissions of such greenhouse gases as CO_2 are also necessary. We aim to expand opportunities for the J-POWER Group to utilize its accumulated technological capabilities related to coal-fired thermal power generation as well as its abundant overseas business experience. Furthermore, we expect abundant business opportunities in the United States, where we have an established business platform and market liberalization is already advanced. By taking advantage of such wide-ranging overseas business opportunities, we aim to achieve the goal set forth in our Medium-Term Management Plan of expanding our overseas generation capacity to 10,000 MW by fiscal 2025.

Central Java Coal-Fired IPP Project

Power generation method:	Coal-fired ultra supercritical pressure power generation
Generation capacity:	2,000 MW
J-POWER's ownership:	34%
Scheduled start of operations:	2020

The Ohma Nuclear Power Plant Project

Question

Is the Ohma Nuclear Power Plant Project important for Japan?

Answer

Yes, I believe it is. Japan is a resource-poor island nation. From the perspective of ensuring a stable energy supply, nuclear power generation is therefore an indispensible baseload power source. At the same time, nuclear power plants are an important part of countermeasures to global warming, as their operation emits no CO_2.

Some plutonium remains in the spent fuel from nuclear power plant operations. In principle, to guard against nuclear non-proliferation, Japan does not hold surplus plutonium. For this reason and to use resources effectively, Japan promotes a nuclear fuel cycle in which spent fuel is reprocessed so that the plutonium and other useful materials are recovered and utilized.

Given this cycle, an important point about the Ohma Nuclear Power Plant is that it will be able to operate using only uranium-plutonium mixed oxide (MOX) fuel.

Japan's existing nuclear power plants can use up to about one third MOX fuel. As we are aiming to use only MOX fuel at the Ohma Nuclear Power Plant, it will play an important role in the nuclear fuel cycle.

The Ohma Nuclear Power Plant is currently still under construction. We applied to the Nuclear Regulation Authority for reviews of compliance with the New Safety Standards in December 2014. In addition to appropriately responding to the results of reviews, we are advancing independent efforts and steadily implementing extensive safety measures, which are a necessary condition for commencing operations.

Overview of Ohma Nuclear Power Project

Location	Ohma-machi, Shimokita-gun, Aomori Prefecture
Capacity	1,383 MW
Type of nuclear reactor	Advanced Boiling Water Reactor (ABWR)
Fuel	Enriched uranium and uranium-plutonium mixed oxide (MOX) fuel
Start of construction	May 2008
Start of operation	To be determined

Corporate Governance

Question

What kind of corporate governance initiatives are you implementing?

Answer

In October 2015, we established a Basic Policy on Corporate Governance that concretely lays out our initiatives in response to the new Corporate Governance Code. This basic policy clarifies how we plan to realize the Group's corporate philosophy by enhancing corporate value over the long term and earning stakeholder trust. Under the basic policy, we will continue working to enhance corporate governance. For details on the basic policy and corporate governance, please refer to Corporate Governance under the Management System section (page 36).

Question

The number of outside directors at J-POWER has increased. What effect do you expect this to have?

Answer

We now have three outside directors, two of whom are Japanese and one of whom is British. In line with the Basic Policy on Corporate Governance, we select as outside directors individuals who will be able to make constructive contributions to Board of Directors' discussions from the perspective of promoting sustainable growth and increasing corporate value over the medium-to-long term. Our current three outside directors not only have a good understanding of the J-POWER Group's businesses, they have expert knowledge in such areas as electricity and public utility businesses, law, finance, overseas business and corporate governance. We are involving the three outside directors in management and utilizing their respective expertise and wide-ranging insight to enhance the Board of Directors' lively, constructive discussions of all kinds of topics. I expect this to contribute to the realization of the J-POWER Group's sustainable growth and the enhancement of its corporate value over the medium-to-long term. The Basic Policy on Corporate Governance states that the Board of Directors should be composed of directors that have a wealth of experience and insight as well as a high level of expertise, while the board as a whole should maintain balance and diversity in terms of insight, experience, and abilities. In keeping with this policy, the addition of our current three outside directors enhances the makeup of our Board of Directors.

For more information about the directors, Audit & Supervisory Board Members, and executive officers approved at the June 22, 2016 Shareholders' Meeting, please refer to Directors, Audit & Supervisory Board Members, and Executive Officers on page 40.

The J-POWER Group Medium-Term Management Plan

The J-POWER Group established a Medium-Term Management Plan in July 2015 to address the challenge of achieving further growth over the next decade by leveraging the increase in capital carried out in March 2015.

The basic direction of our efforts involves I. creating 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; II. growing our overseas power generation business to contribute to sustainable development based on the energy circumstances in each region worldwide; and III. conducting business in Japan and abroad as a leading company in coal-fired thermal power generation by accelerating the development of technology aimed at reducing the carbon emissions of coal-fired thermal power to adapt to measures addressing climate change.

Efforts aimed at further growth by building up the power generation business will require a growth cycle of at least 10 years considering the period required for investment in construction after planning and environmental assessment. That is why we made efforts aimed at 2025 into the J-POWER Group's "Medium-Term Management Plan."

Business Environment, Key Concepts of the Medium-Term Management Plan, and Six Key Initiatives

The business environment surrounding J-POWER Group

- Intensifying market competition due to the electricity system reform
- Uncertainty surrounding nuclear power policy
- Climate change
- Robust growth in electric power demand centered upon developing countries

J-POWER Group's strengths in finding opportunities in environmental changes

- Competitive power plants producing large volumes of electric power
- Abundant development pipeline
- Excellent environmental technology enabling future business development
- Track record in overseas business development

Responses to risks to overcome

- Initiatives to further reduce carbon emissions

Key concepts of the Medium-Term Management Plan based on the above understanding of business environment and J-POWER Group's strengths

- Realize growth in Japan by "Surviving the Competition in a **Liberalized** Market"
- Enhancing "**Overseas Business Expansion**"
- Further "**Low-carbon Technologies**" enabling greater business growth globally

6 Key Initiatives

(1) Promotion of **development of high-efficiency coal-fired thermal power plants** and **technology** aimed at the next generation

(2) **Being competitive in the market** created by liberalization and **improvement of reliability of facilities**

(3) **Expansion of renewable energy**

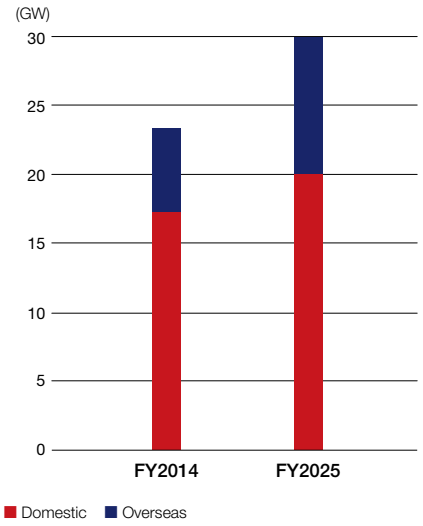
(4) **Promotion of the Ohma Nuclear Power Project** based on the premise of safety

(5) **Promotion of overseas power generation business**

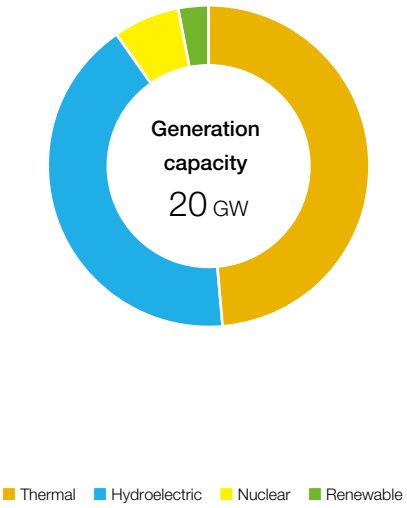
(6) **Improvement of efficiency of assets** by screening businesses

Growth of Power Generation Assets

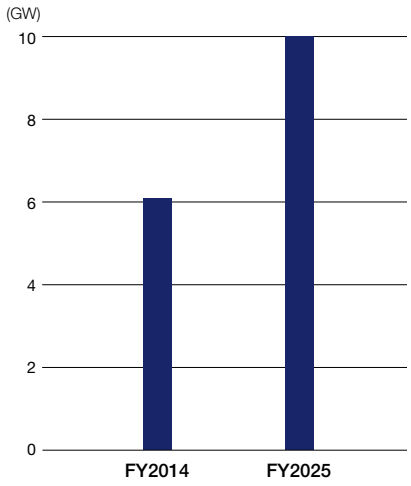
Power generation capacity:
30 GW (FY2025)



Composition of domestic power generation assets
(FY2025)



Overseas owned capacity:
10 GW (FY2025)



Growth and Soundness Indicators: Specific Targets

- Growth indicator: J-POWER EBITDA*

⇒ Increase to around 1.5 times the level of FY2014 in FY2025
(FY2014 result: ¥181.8 billion)

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

⇒ Improve from the level at the end of FY2014 by the end of FY2025
(FY2014 year-end result: 9.5 times)

* J-POWER EBITDA = Operating income + Depreciation and amortization + Equity in earnings of affiliates

Returns to Shareholders

- Although our overseas business has reached a stage in which we expect profit to grow, we remain in a period of asset formation aimed at further growth
- At the same time, J-POWER Group is in a transitional period in which its business environment undergoes significant change moving forward to FY2020 caused by factors such as progress of liberalization
- Therefore, during this period, we will continue to provide stable dividends as in the past, while also working to form competitive business assets and also maintain and improve our financial soundness
- After FY2020, we will strive to enhance the returns to shareholders as a result of our growth, and also flexibly consider how returns to shareholders should be decided, based on factors such as changes in our earnings structure

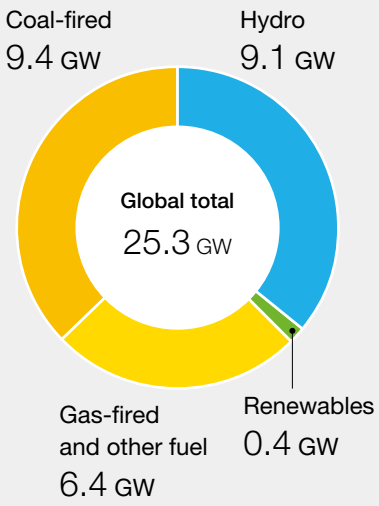
The J-POWER Group's Initiatives to Ensure a Stable Power Supply and Reduce CO_2 Emissions

The J-POWER Group's corporate philosophy is "We will meet people's needs for energy without fail, and play our part for the sustainable development of Japan and the rest of the world." In line with this philosophy, we are working to both ensure the stable supply of electric power and promote environmental preservation. Around the world, the Group owns facilities that use a variety of power sources, including coal-fired thermal, gas-fired thermal, hydroelectric, and other renewable energy sources, maintaining a balanced portfolio of facilities.

Going forward, the J-POWER Group will continue to advance the development of such CO_2-free energy sources as hydroelectric, wind, and geothermal power while also reducing carbon emissions from coal-fired thermal power generation. By doing so, we will strive to both ensure a stable supply of electric power and reduce CO_2 emissions.

The J-POWER Group's Power Generation Assets

(As of March 31, 2016, owned capacity basis)



Developing Large-Scale Hydroelectric Power Plants

To alleviate Japan's nationwide postwar power shortages, in the 1950s J-POWER began building large-scale dams and hydroelectric power plants, such as the Sakuma, Tagokura, Okutadami, and Miboro power plants. These facilities have not only contributed to the effective use of water resources and stable supply of electric power, but as a CO_2-free power source, they have helped to address the issue of global warming.

The J-POWER Group currently has 60 hydroelectric power production facilities in Japan, making it Japan's second-ranked company in terms of hydropower generation capacity.

Initiatives in Imported Coal-Fired Power

After the two oil shocks of the 1970s, J-POWER advanced construction of large-scale coal-fired thermal power plants fueled by imported coal, of which large reserves were available. Japan's first such plant was the Matsushima Thermal Power Plant. This was followed by the completion of six more thermal power plants fueled by imported coal across the country. For a half century, the J-POWER Group has striven to improve the efficiency of these plants and reduce their environmental burden, and they have contributed to the stable supply of electric power in Japan.

Gas-Fired Power Generation in Thailand

Overseas, the J-POWER Group is developing various power sources in line with the particular needs of each country and region. For example, in Thailand, we have been developing large-scale gas-fired thermal power generation facilities that use the natural gas produced in abundance within the country and surrounding region. We are also developing biomass projects, contributing to economic development and the stable supply of electric power in Thailand.

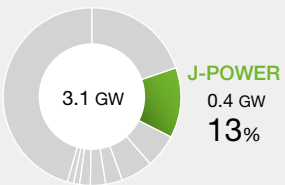
Initiative to Reduce CO_2 Emissions

Expanding the Use of CO_2-Free Power Sources

Wind Power: New Development

Capacity Share in Japan

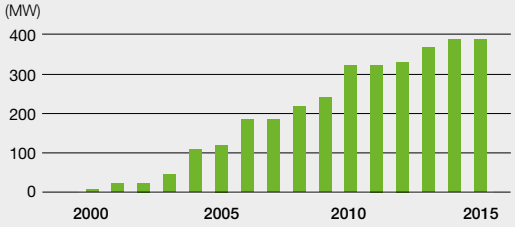
(As of March 31, 2016)



Source: Compiled from Japan Wind Power Association Materials

Wind Power Owned Capacity

(As of March 31, 2016)



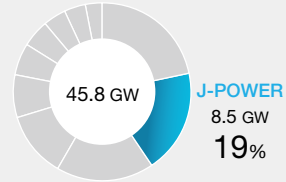
New Projects

- Yurihonjo Bayside
- Setana-Ohsato
- Kuzumaki No. 2 (Tentative name)
- Nikaho No. 2 (Tentative name)

Hydroelectric: Small- and Medium-Scale Development

Capacity Share in Japan

(As of March 31, 2016)



Source: Reports issued by the Agency for Natural Resources and Energy

Major plants	Capacity (MW)
Shintoyone	1,125
Okukiyotsu	1,000
Okutadami	560
Tagokura	400
Sakuma	350
Ikehara	350
Tedorigawa No.1	250
Miboro	215

New Small- and Medium-Scale Hydroelectric Projects

- Konokitani
- Shinkatsurazawa

Capacity Upgrade Projects

- Akiba No. 2

Geothermal: New Development and Replacement

Project Name	Location	Capacity (kW)	Ownership	Status
Wasabizawa (New)	Yuzawa City, Akita Prefecture	42,000	50%	Under construction (scheduled to start operation in 2019)
Onikobe (Replacement)	Osaki City, Miyagi Prefecture	23,000 class	100%	Undergoing environmental assessment (scheduled to start operation in 2023)

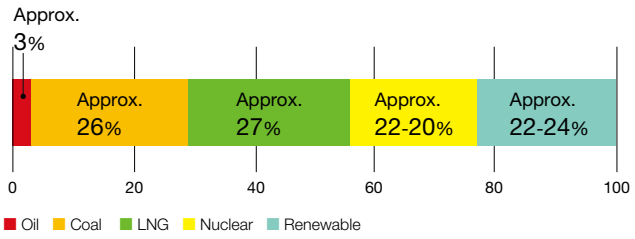
Reducing Carbon Emissions from Coal-Fired Thermal Power

The Position of Coal-Fired Thermal Power in Japan's Energy Policy

While coal-fired thermal power emits a large volume of CO_2, among fossil fuels it is subject to the least geopolitical risk and has the lowest import cost per unit of thermal energy. As such, it is an important baseload power source that has a stable fuel supply and is economical. It is thus in Japan's interest to use this power source while working to reduce its environmental burden through such means as effectively employing high-efficiency coal-fired thermal power generation technologies. Coal-fired thermal power accounts for about 26% of Japan's target energy mix for fiscal 2030.

The J-POWER Group is working to reduce carbon emissions by replacing aging coal-fired thermal power facilities with new high-efficiency facilities that employ world-class technologies and by developing new facilities that are also highly efficient. Furthermore, by promoting mixed combustion employing biomass fuels, we are advancing the further reduction of carbon emissions from coal-fired thermal power plants.

Japan's FY2030 Energy Mix



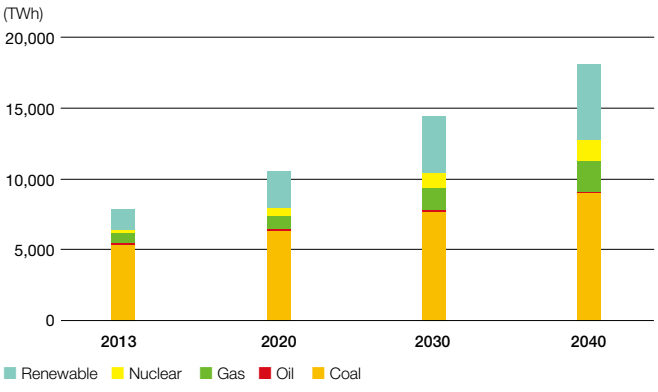
Source: Long-term Energy Supply and Demand Outlook and related materials, Agency for Natural Resources and Energy, July 2015

Growing Electric Power Demand in Asia

Demand for electric power is growing in Asia. Coal-fired thermal power, which offers the merits of a stable fuel supply and being highly economical, will be an important driver of economic development.

In Central Java, Indonesia, we are developing a coal-fired thermal power generation project. Indonesia's electricity demand is expected to rise sharply going forward. This project will help meet that demand with the construction of a high-efficiency thermal power plant fueled by Indonesia's abundant coal reserves. By leveraging its world-class, high-efficiency coal-fired thermal power technologies, the J-POWER Group will be able to both contribute to Indonesia's economic development and reduce carbon emissions.

Electricity Generation in Developing Asian Countries



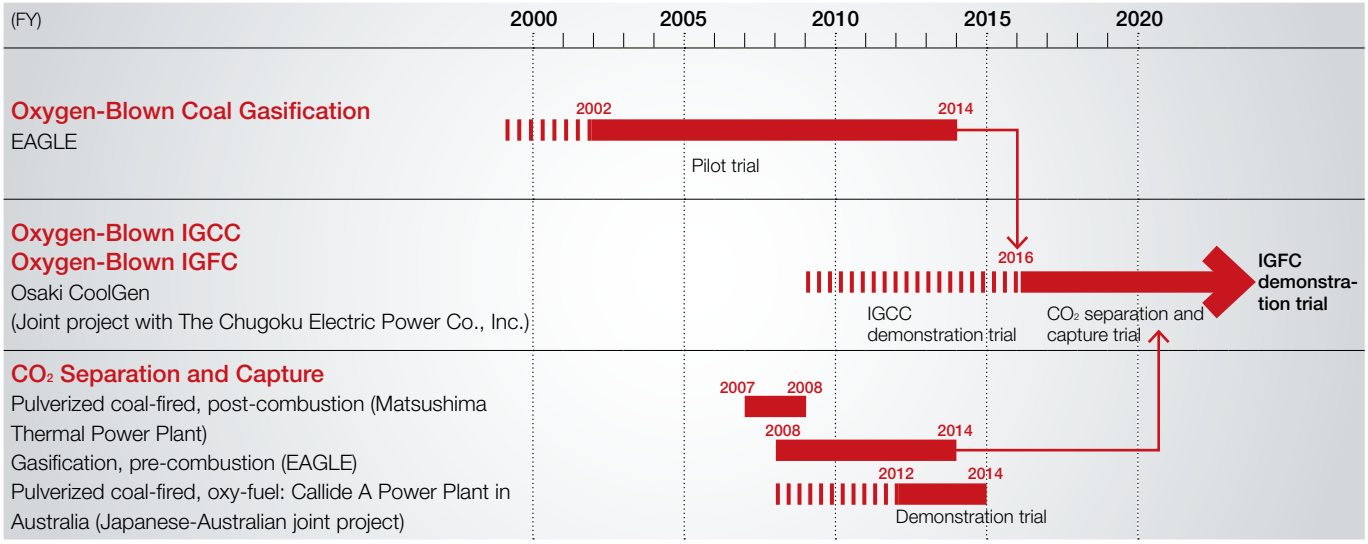
Source: "World Energy Outlook 2015," International Energy Agency

Developing Next-Generation, Coal-Fired Thermal Power Technology and Low-Carbon Technology

J-POWER is working to establish next-generation, coal-fired thermal power technology by developing integrated coal gasification combined cycle (IGCC*1) technologies and integrated coal gasification fuel cell combined cycle (IGFC*2) as well as CO_2 capture and storage (CCS) technologies. Since fiscal 2002, J-POWER had been engaged in the EAGLE*3 project in collaboration with the New Energy and Industrial Technology Development Organization (NEDO), aimed at establishing technology to realize oxygen- blown IGCC. Employing insights and results gleaned from the EAGLE project, the Company has since been engaged in the Osaki CoolGen Project in collaboration with The Chugoku Electric Power Co., Inc. Under this project, the construction of a 166 MW oxygen-blown IGCC demonstration plant (with a coal processing capacity of 1,180 tons per day) commenced in March 2013, and trials are slated to begin in fiscal 2016. Thereafter, besides conducting further testing of CO_2 separation and capture technology, J-POWER is aiming to develop oxygen-blown IGFC technology that combines fuel cells with oxygen-blown IGCC. J-POWER's other initiatives to reduce carbon emissions include collaboration with Mitsubishi Heavy Industries, Ltd. in conducting pilot trials related to the development of CO_2 separation and capture technology from fiscal 2007 to 2008 at the Matsushima Thermal Power Plant in Saikai City, Nagasaki Prefecture. Additionally, at the Callide A Power Plant in Queensland, Australia, J-POWER took part in the world's first trials of an integrated process of oxy-fuel and CCS at a real power plant as part of a public-private, Japanese-Australian joint project.

*1 Integrated Coal Gasification Combined Cycle (IGCC): A combined cycle power generation system with a twin-turbine configuration; a gas turbine driven by the gas produced by gasifying coal and a steam turbine driven by the exhaust gases from the gas turbine
*2 Integrated Coal Gasification Fuel Cell Combined Cycle (IGFC): An integrated power generation system that combines fuel cells with IGCC which achieves the highest level of thermal efficiency as coal-fired thermal power
*3 EAGLE: An oxygen-blown coal gasification project which was conducted at the Wakamatsu Research Institute. The acronym is taken from Coal Energy Application for Gas, Liquid & Electricity.

New Technology Development Schedule for Coal-Fired Thermal Power at J-POWER

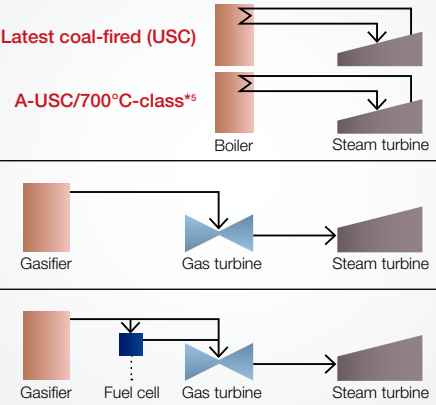


Osaki CoolGen Project

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Phase 1	Oxygen-blown IGCC	Design/manufacture/installation					Trials				
Phase 2	IGCC with CO_2 capture					Design/manufacture/installation			Trials		
Phase 3	IGFC with CO_2 capture							Design/manufacture/installation			Trials

Coal-Fired Thermal Power Technology for the Next Generation

		Net efficiency (HHV):	CO_2 reduction (compared with latest coal-fired):
Pulverized coal-fired (USC*4)	Latest coal-fired (USC)	**39–41%**	
	A-USC/700°C-class*5	**46–48%**	**Approx. 15%**
IGCC (1,500°C-class)		**46–48%**	**Approx. 15%**
IGFC		**Over 55%**	**Approx. 30%**



*4 Ultra-Supercritical (USC): Current cutting-edge technology for pulverized coal-fired thermal power. Utilizes steam with pressure of 22.1 MPa or greater and temperature of over 566°C
*5 Advanced Ultra-Supercritical (A-USC)
By the adoption of steam condition at more than 700°C, increased the thermal efficiency of USC

Reference: Initiatives to Reduce CO_2 in Japan

As an operator in Japan's electricity business, J-POWER is helping to achieve the targets of the electricity business's Action Plan for Achieving a Low-Carbon Society.

GHG reduction target

- Reducing GHG by 26% in 2030 from 2013 level

Long-term Energy Supply and Demand Outlook (Energy mix)

- Estimating generating share for each energy source in FY2030 in line with GHG reduction target (see page 17)
- Thermal efficiency is estimated at the same level as high-efficiency generation (coal: USC, LNG: combined cycle)

Voluntary initiative

Generators	Grid operators	Retailers
The Electric Power Council for a Low Carbon Society (42 companies as of July 2016)		
Electricity business companies as a whole* aim for the carbon intensity in line with the energy mix (0.37kg-CO_2/kWh at user's end in FY2030) *Covering over 99% of total electricity sales in Japan when this commitment was drew up in 2015		

Policy measures

Generators	Grid operators	Retailers
Energy conservation act		Energy supply structure enhancement act
Newly built thermal power must employ highest efficiency technology that is already in commercial operation Each generator must aim for achieving high efficiency premised in the energy mix		Each retailer must aim for over 44% in terms of non-fossil power ratio in FY2030, the same level estimated in the energy mix

To confirm compliance with the new safety standards, in December 2014 J-POWER submitted an application for permission for alteration of the reactor installment license and an application for construction plan approval to the Nuclear Regulation Authority summarizing the details of measures to reinforce the safety of the Ohma Nuclear Power Plant.

We will implement all measures during construction to ensure that we build a safe power plant.

Measures to Reinforce Safety

1. Measures to Design Basis Accidents

Earthquake Proofing

We adopted a new standard seismic motion based on the latest findings and other factors. The adopted standard seismic motion is a maximum acceleration of 650 cm/s^2 (previously 450 cm/s^2). Earthquake-proof designs for buildings and other structures were adopted based on this standard seismic motion.

Tsunami Countermeasures

We also adopted the following design basis tsunami based on the latest findings. We estimated that the maximum height of a tsunami at the site based on the following design basis tsunami is T.P. +6.3 m (previously +4.4 m), but the elevation of the power station site is T.P. +12 m, and consequently, there is no likelihood of a tsunami reaching and following into the site.

From the perspective of enhancing confidence even further, we will implement independent measures including construction of seawalls and installation of waterproof exterior doors and so on.

Measures to Prevent Damage from External Impact

(1) We assessed the impact of natural phenomena (volcanic eruptions, tornados, external fires, etc.) on the nuclear power station.

Fire Protection

(2) We will enhance fire protection measures including use of fire resistant cables and construction of firewalls.

Internal Flooding Resistance Measures

(3) We will reinforce resistance measures against leaks to protect facility functions in anticipation of damage to pipes within the facility.

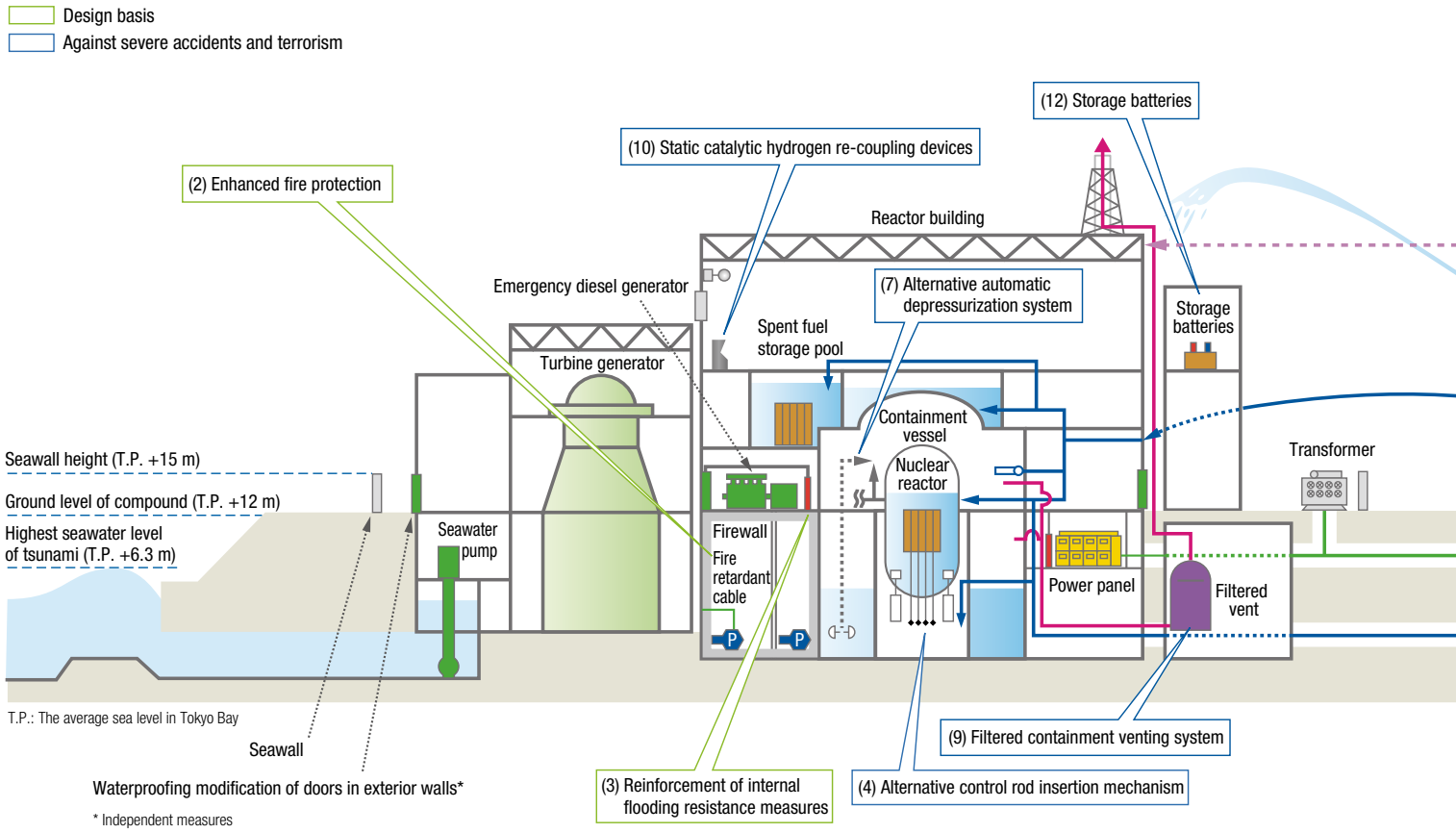
2. Against Severe Accidents and Terrorism

To prevent damage to the nuclear reactor and containment vessel, we will implement the following measures.

Measures to Prevent Core Damage and Containment Vessel Failure

(4) Even in the case where nuclear reactor emergency shutdown equipment does not operate, an alternative control

Image of Measures to Reinforce Safety at Ohma Nuclear Power Plant



rod insertion mechanism that can be operated by separate circuits or manually will be installed to enable shutdown of the nuclear reactor.

(5) Permanent alternative water injection facilities will be installed to cool the nuclear reactor, containment vessel, and spent fuel storage pool.

(6) Mobile alternative water injection pumps will be available to cool the nuclear reactor, containment vessel, and spent fuel storage pool.

(7) An alternative automatic depressurization system will be installed to reduce pressure in the nuclear reactor.

(8) Heat exchanger units will be installed to release generated heat.

(9) A filtered containment venting system*1 will be installed to prevent damage from excess pressure in the containment vessel.

(10) Static catalytic hydrogen re-coupling devices*2 will be installed to prevent damage from hydrogen explosions in the reactor building.

(11) Water spraying facilities will be installed to control the dispersion of radioactive material outside the power station.

Reinforcement of Power and Water Supplies

(12) To ensure power supplies, air-cooled emergency generators and gas turbine generators will be installed, the capacity of existing storage batteries will be increased, additional batteries will be installed, and a power supply vehicle will be made available.

(13) Water storage tanks will be installed to secure a water source necessary for resolution of severe accidents.

Ensuring Support Functions of the Control Room

(14) An emergency response office will be created to respond to severe accidents.

(15) Communications facilities will be reinforced to ensure communications with necessary locations inside and outside the power station.

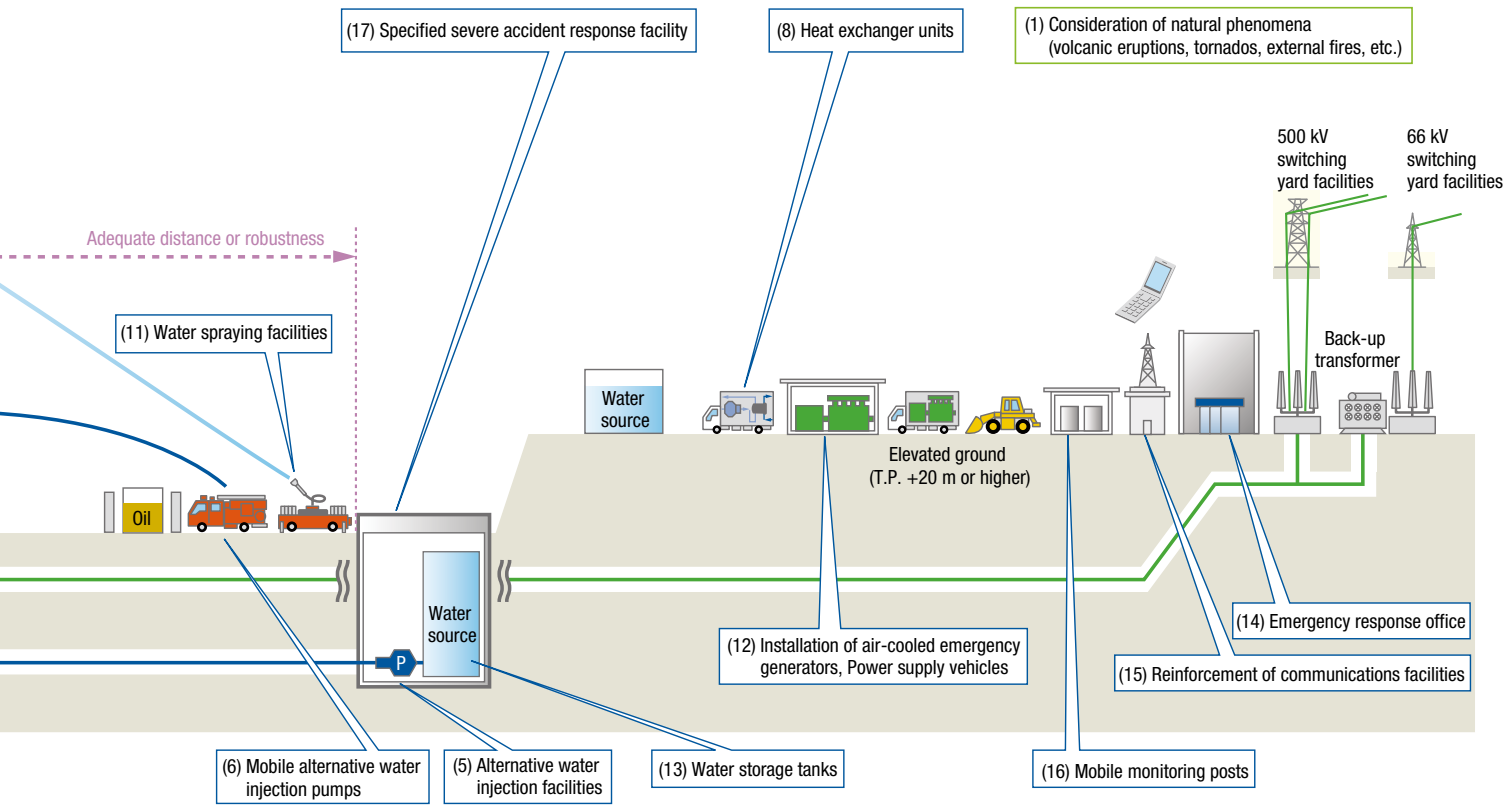
(16) Mobile monitoring posts will be established to monitor, measure and record the concentration and radio-activity of radioactive material in the vicinity of the power station.

Countermeasures against Intentional Aircraft Crashes

(17) Specified severe accident response facilities will be established to control the abnormal external release of radioactive material in the event of the intentional crash of a large aircraft into the reactor buildings or other terrorist attacks.

*1. Filtered containment venting system:
A system that controls the release of radioactive material and releases steam from the containment vessel into the atmosphere in order to prevent damage to the containment vessel in the event of an excessive increase in pressure inside the nuclear reactor containment vessel.

*2. Static catalytic hydrogen re-coupling devices:
A system that uses a catalyst to cause a chemical reaction between hydrogen molecules and oxygen molecules to generate water vapor in order to prevent an increase in hydrogen concentration that could result in a hydrogen explosion in the event that damage to the reactor core occurs, causing hydrogen to leak inside the reactor building and the concentration of hydrogen to increase.



Electric Power Business

Domestic Electric Power Business (Thermal Power)

Overview of Operations and Salient Features

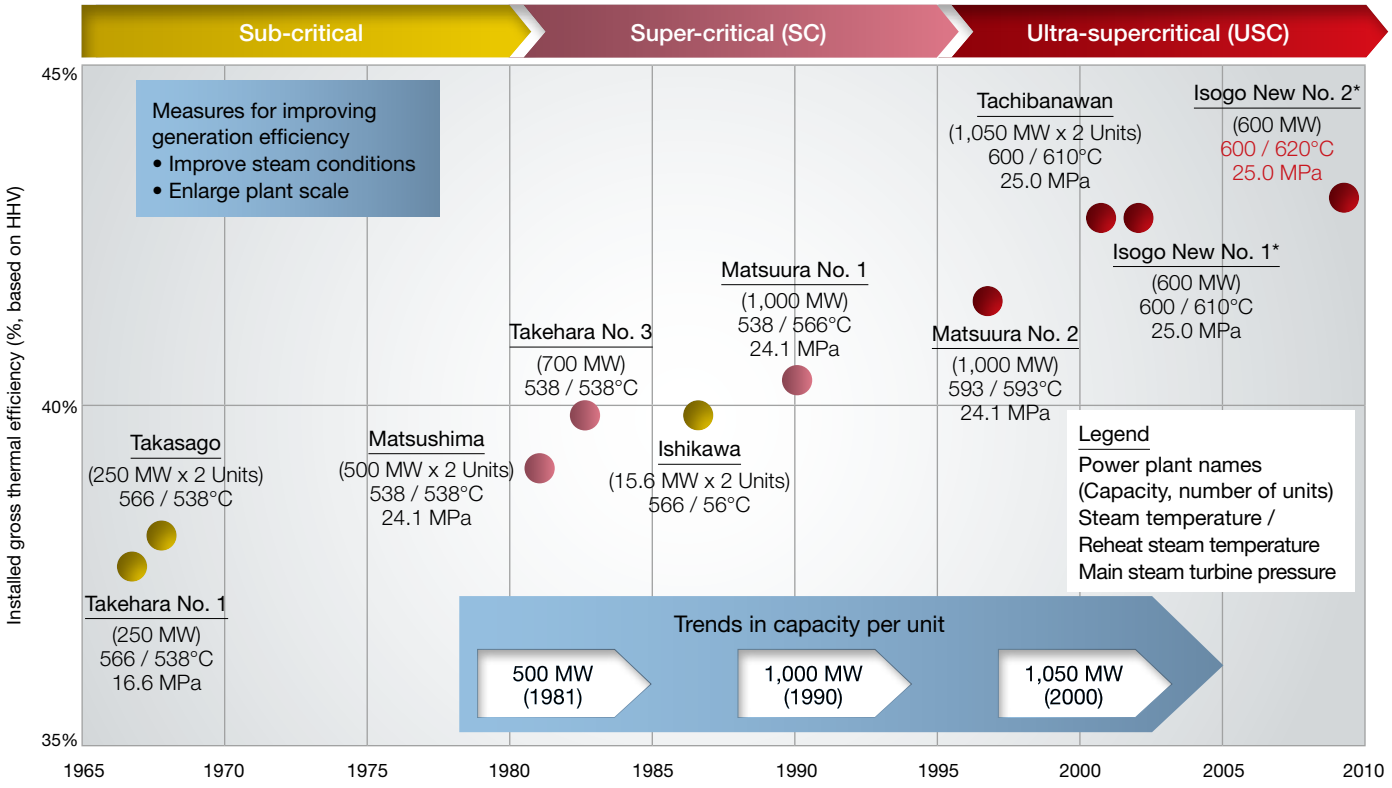
J-POWER's thermal power operations center on coal-fired thermal power generation. J-POWER's first coal-fired thermal power plant commenced operations in 1963, in line with Japan's policy at the time of using domestically produced coal. Following the oil shocks of the 1970s, the Company responded to government plans to diversify the mix of power sources, which had been centered on oil-fired thermal power generation. In 1981, J-POWER began operations at the Matsushima Thermal Power Plant, the first in Japan fueled with imported coal. J-POWER went on to develop a series of large-scale coal-fired thermal power plants—such as those at Matsuura and Tachibanawan—that run on imported coal, increasing the scale of its business. The Company has continued to work to improve power generation efficiency by enhancing steam conditions and scaling up plants in its efforts to improve competitiveness and decrease environmental impact. Providing an economical and stable baseload source of electricity, J-POWER's coal-fired thermal power plants maintain high load factors.

J-POWER is also involved in geothermal power, and has been operating the Onikobe Geothermal Power Plant in Osaki City, Miyagi Prefecture, since 1975.

Tachibanawan Thermal Power Plant

History of J-POWER's Thermal Efficiency Improvements

We achieved the world's highest level of thermal efficiency at Isogo thermal power plant New No. 2 unit.



* Isogo No. 1 (started operation in 1967) and No. 2 (1969) have been replaced with cutting-edge units.

Coal-Fired Thermal Power Plants (As of August 31, 2016)

Power Plants		Beginning of Operation	Location	Capacity (kW)
Isogo	New No. 1	2002	Kanagawa Prefecture	600,000
	New No. 2	2009		562,000*2
Takasago	No. 1	1968	Hyogo Prefecture	250,000
	No. 2	1969		250,000
Takehara	No. 1	1967	Hiroshima Prefecture	250,000
	No. 2	1974*1		350,000
	No. 3	1983		700,000
Tachibanawan	No. 1	2000	Tokushima Prefecture	1,050,000
	No. 2	2000		1,050,000
Matsushima	No. 1	1981	Nagasaki Prefecture	500,000
	No. 2	1981		500,000
Matsuura	No. 1	1990	Nagasaki Prefecture	1,000,000
	No. 2	1997		1,000,000
Ishikawa Coal	No. 1	1986	Okinawa Prefecture	156,000
	No. 2	1987		156,000
Total				8,374,000

*1 Converted from heavy oil-fueled boiler to coal-fueled fluidized boiler in 1995
*2 Isogo New No. 2 is operating at an output of 562 MW, down from 600 MW, due to the breakage of a rotating blade in a low-pressure turbine in December 2012.

Geothermal Power Plant (As of August 31, 2016)

Power Plants	Beginning of Operation	Location	Capacity (kW)
Onikobe	1975	Miyagi Prefecture	15,000

Other J-POWER Thermal Power Plants (As of August 31, 2016)

Plant Name	Operating Companies	Location	Capacity (kW)	Fuel Type	Ownership	Beginning of Operations
Bayside Energy Ichihara	Bay Side Energy Co., Ltd.	Chiba Prefecture	107,650	Gas*1	100%	2005
Mihama Seaside Power Shinminato	Mihama Seaside Power Co., Ltd.	Chiba Prefecture	104,770	Gas*1	100%	2005
Itoigawa	ITOIGAWA POWER Inc.	Niigata Prefecture	134,000	Coal	64% TAIHEIYO CEMENT CORPORATION*2	2001 (2003)*3
Tosa	TOSA POWER Inc.*4	Kochi Prefecture	150,000	Coal	45% Shikoku Electric Power Co., Inc.*2 35% TAIHEIYO CEMENT CORPORATION*2 20%	2005
Genex Mizue	GENEX Co., Ltd.*4	Kanagawa Prefecture	238,000	Gas Oil Residue	40% TOA Oil Co., Ltd.*2	2003
Subtotal			734,420			

*1 Generation method: combined cycle *2 Partners *3 Date of investment participation by J-POWER *4 Equity-method affiliates

Replacement and New Capacity Projects

J-POWER is promoting new coal-fired thermal power projects to replace aging thermal power plants and develop new power plants to contribute to the stable supply of electricity in Japan over the medium-to-long term. Because these projects will commence operations after the abolition of wholesale regulations that has been implemented as part of Japan's electricity system reform, unlike the coal-fired thermal power plants J-POWER has developed in the past, the terms of their business contracts, such as who they sell to and at what rate, will not be restricted by said regulations.

In addition to taking these coal-fired thermal power initiatives, J-POWER is promoting the construction of its second geothermal power plant, in the city of Yuzawa, Akita Prefecture. Construction of the Wasabizawa Geothermal Power Plant (capacity 42 MW) by a joint venture with Mitsubishi Materials Corporation and Mitsubishi Gas Chemical Company, Inc., is under way, and the start of operations is planned for May 2019. Furthermore, the Onikobe Geothermal Power Station will be shut down in fiscal 2016 for replacement going forward.

Takehara Thermal Power Plant Unit New No. 1 (post-completion rendering)

New Coal-fired Power Projects in Japan

Takehara Thermal Power Plant Unit New No. 1 (Replacement)

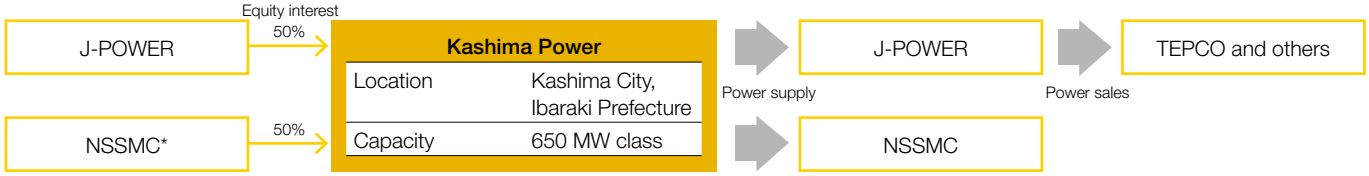
Location	Takehara City, Hiroshima Prefecture
Status	Under construction for replacement
Start of operations	Scheduled for June 2020
Capacity	600 MW → 600 MW (Replacement at the same capacity)
Steam conditions	Sub-critical → Ultra-supercritical

Takasago Thermal Power Plant Unit New No. 1/No. 2 (Replacement)

Location	Takasago City, Hyogo Prefecture
Status	Undergoing environmental assessment
Start of operations	Scheduled for 2021 (New No. 1) and 2027 or later (New No. 2)
Capacity	500 MW → 1,200 MW (Replacement for larger capacity)
Steam conditions	Sub-critical → Ultra-supercritical

Kashima Power (New Capacity)

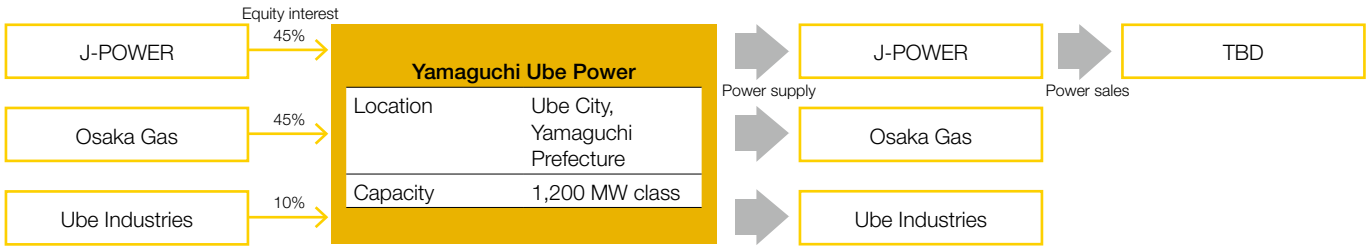
✓ Environmental assessment completed.
✓ Start of operation scheduled for July 2020



* Nippon Steel & Sumitomo Metal Corporation

Yamaguchi Ube Power (New Capacity)

✓ Implementing environmental assessment
✓ Start of operation scheduled for 2023 (No. 1), 2025 (No. 2)



Domestic Electric Power Business (Hydroelectric Power)

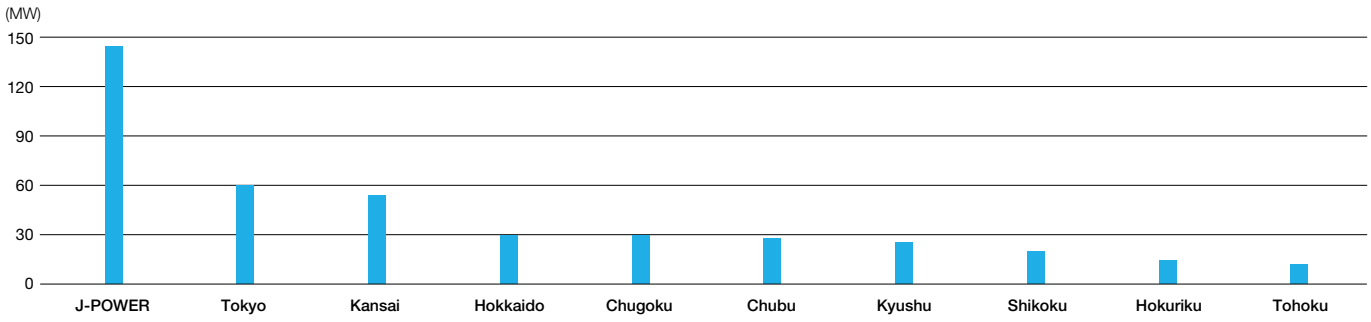
Overview of Operations and Salient Features

J-POWER boasts a track record in the building and operation of hydroelectric power plants that extends back more than half a century. Including the Sakuma Power Plant, which began operations in 1956 in a bid to solve postwar power shortages, J-POWER has developed many large-scale conventional hydro-electric power plants. Subsequently, from the 1970s onward, the Company developed large-scale pumped storage hydroelectric power plants, such as that at Shintoyone.

A salient feature of J-POWER's hydroelectric power plants is the large capacity of each unit. Through its mainstay conventional hydroelectric power plants and pumped storage plants built at rivers with an abundant volume of water, the Company contributes to the power supply around the country. Because hydroelectric power plants are capable of changing output extremely quickly to respond to demand fluctuation, they can cover peak demand in daily and seasonal supply-demand balancing in Japan's grid. Furthermore, hydroelectric power represents a valuable domestic energy resource and, as a CO_2-free power source, plays a central role in renewable energy. Having developed its hydroelectric power business over a period spanning many years, J-POWER responds appropriately to natural disasters and to the problems caused by sediment deposits that accumulate in dam reservoirs. While continuing efficient maintenance and management of power plants, the Company strives to ensure stable and long-term operation of its hydroelectric power stations.

Generation Capacity per Hydroelectric Power Plant of J-POWER and EPCOs

(As of March 31, 2016)



Source: Reports issued by the Agency for Natural Resources and Energy

Miboro Power Plant (Gifu Prefecture)

Ikehara Power Plant (Nara Prefecture)

Sakuma Power Plant (Shizuoka Prefecture)

Tagokura Power Plant (Fukushima Prefecture)

Comprehensive Renewal and New Capacity

J-POWER is undertaking the comprehensive renewal of its main power generating machinery in hydroelectric power plants. This is aimed at not merely extending the operating lives of its existing hydroelectric power plants and improving their reliability, but also increasing capacity and the power generated through optimal design utilizing the latest technologies. The Company will begin comprehensive renewal work at the Akiba No. 1 Hydroelectric Power Plant in Hamamatsu City, Shizuoka Prefecture, in October 2016.

In resource-poor Japan, hydroelectric power is a valuable indigenous source of energy, and J-POWER undertakes the development of small- to medium-scale hydroelectric power plants that utilize untapped hydroelectric resources in order to effectively utilize this precious resource to the maximum extent possible. The Konokitani Hydroelectric Power Plant, construction of which commenced in October 2014, will generate a maximum of 199 kW and utilize the Konokitani water inlet's unused head of water at the existing Kuzuryu dam reservoir by providing a weir close to the water inlet and installing a water turbine generator. J-POWER is advancing construction of this project, aiming to commence operations in November 2016.

Major Hydroelectric Power Plants

(As of March 31, 2016)

Power Plants	Beginning of Operation	Location	Capacity (kW)	Type
Shimogo	1988	Fukushima Prefecture	1,000,000	Dam conduit type, pumped storage
Okutadami	1960	Fukushima Prefecture	560,000	Dam conduit type
Otori	1963	Fukushima Prefecture	182,000	Dam type
Tagokura	1959	Fukushima Prefecture	400,000	Dam type
Tadami	1989	Fukushima Prefecture	65,000	Dam conduit type
Taki	1961	Fukushima Prefecture	92,000	Dam type
Kuromatagawa No. 1	1958	Niigata Prefecture	61,500	Dam conduit type
Okukiyotsu	1978	Niigata Prefecture	1,000,000	Dam conduit type, pumped storage
Okukiyotsu No. 2	1996	Niigata Prefecture	600,000	Dam conduit type, pumped storage
Numappara	1973	Tochigi Prefecture	675,000	Dam conduit type, pumped storage
Misakubo	1969	Shizuoka Prefecture	50,000	Dam conduit type
Shintoyone	1972	Aichi Prefecture	1,125,000	Dam conduit type, pumped storage
Sakuma	1956	Shizuoka Prefecture	350,000	Dam conduit type
Miboro	1961	Gifu Prefecture	215,000	Dam conduit type
Miboro No. 2	1963	Gifu Prefecture	59,200	Dam conduit type
Nagano	1968	Fukui Prefecture	220,000	Dam conduit type, pumped storage
Yugami	1968	Fukui Prefecture	54,000	Dam conduit type
Tedorigawa No. 1	1979	Ishikawa Prefecture	250,000	Dam conduit type
Totsugawa No. 1	1960	Nara Prefecture	75,000	Dam conduit type
Totsugawa No. 2	1962	Wakayama Prefecture	58,000	Dam conduit type
Ikehara	1964	Nara Prefecture	350,000	Dam type, pumped storage
Nanairo	1965	Wakayama Prefecture	82,000	Dam conduit type
Futamata	1963	Kochi Prefecture	72,100	Dam conduit type
Sendaigawa No. 1	1965	Kagoshima Prefecture	120,000	Dam type

Note: Lists power plants with maximum output of 50,000 kW or more

Domestic Electric Power Business (Wind Power)

Overview of Operations and Salient Features

J-POWER is a pioneer in the wind power generation business in Japan, having commenced operations at its first wind farm in 2000. Since then, the Company has steadily expanded this business and, as of August 31, 2016, owns 21 wind farms (241 units) around the country, with a total output capacity of 429 MW (owned capacity: 415 MW), making it the second largest wind power producer in the country (as of March 31, 2016). Drawing on its many years of experience, expertise, and technologies in the building, operation, and maintenance of power plants and transmission lines, the J-POWER Group has created a system that covers the full gamut of the wind power business, from surveys of wind conditions to wind farm design, construction, and operation and maintenance (O&M). Leveraging its diverse experience, J-POWER is making its O&M systems more efficient while working to improve utilization rates and enhance profitability. The feed-in tariff system took effect in 2012, and J-POWER has acquired facility accreditation under the system for both new and existing wind power facilities.

New Site Development and Offshore Wind Power Initiatives

J-POWER is working towards the development of new capacity. The Company commenced operations of facilities that increased the capacity of Minami Ehime Wind Farm in April 2016 and launched operations at Ohma Wind Farm in May 2016. Yurihonjo Bayside Wind Farm, currently under construction, is scheduled to come online in fiscal 2016. J-POWER will continuously seek locations that possess wind conditions suitable for new facilities and steadily develop new projects in the years to come.

With regard to offshore wind power, the Company has been advancing demonstration studies off the coast of Kita-Kyushu in Fukuoka Prefecture on behalf of and jointly with the New Energy and Industrial Technology Development Organization (NEDO) and will deepen its technical knowledge of offshore wind power generation.

Minami Ehime Wind Farm

Wind Power Projects

(As of August 31, 2016)

Wind Farms/Plants	Operating Companies	Location	(Number of Wind Turbines)	Capacity (kW)	Ownership	Beginning of Operation
Sarakitomanai Wind Farm	J-Wind Co., Ltd.	Hokkaido Prefecture	(9)	14,850	100%	2001 (2009)*5
Tomamae Winvilla Wind Farm	J-Wind Co., Ltd.	Hokkaido Prefecture	(19)	30,600	100%	2000
Shimamaki Wind Farm	J-Wind Co., Ltd.	Hokkaido Prefecture	(6)	4,500	100%	2000 (2009)*5
Setana Seaside Wind Farm	J-Wind Co., Ltd.	Hokkaido Prefecture	(6)	12,000	100%	2005
Kaminokuni Wind Farm	J-Wind Co., Ltd.	Hokkaido Prefecture	(12)	28,000	100%	2014
Ohma Wind Farm	J-Wind OOMA Co., Ltd.	Aomori Prefecture	(9)	19,500	100%	2016
Green Power Kuzumaki Wind Farm	J-Wind Co., Ltd.	Iwate Prefecture	(12)	21,000	100%	2003
Nikaho Kogen Wind Farm	Nikaho-Kogen Wind Power Co., Ltd.	Akita Prefecture	(15)	24,750	67%	2001
Koriyama-Nunobiki Kogen Wind Farm	J-Wind Co., Ltd.	Fukushima Prefecture	(33)	65,980	100%	2007
Hiyama Kogen Wind Farm	J-Wind Co., Ltd.	Fukushima Prefecture	(14)	28,000	100%	2011
Tokyo Bayside Wind Power	J-Wind Co., Ltd.	Tokyo Metropolitan Area	(2)	1,700	100%	2003
Irouzaki Wind Farm	J-Wind Co., Ltd.	Shizuoka Prefecture	(17)	34,000	100%	2010
Tahara Bayside Wind Farm	J-Wind Co., Ltd.	Aichi Prefecture	(11)	22,000	100%	2005
Tahara Wind Farm	J-Wind Co., Ltd.	Aichi Prefecture	(1)	1,980	100%	2004
Awara-Kitagata Wind Farm	J-Wind Co., Ltd.	Fukui Prefecture	(10)	20,000	100%	2011
Yokihi no Sato Wind Park	J-Wind Co., Ltd.	Yamaguchi Prefecture	(3)	4,500	100%	2003 (2009)*5
Minami Ehime Wind Farm	Japan Clean Energy Development Co., Ltd.	Ehime Prefecture	(12)	28,500	100%	2015
Nagasaki-Shikamachi Wind Farm	Nagasaki-Shikamachi Wind Power Co., Ltd.	Nagasaki Prefecture	(15)	15,000	70%	2005
Aso-Nishihara Wind Farm	J-Wind Co., Ltd.	Kumamoto Prefecture	(10)	17,500	100%	2005
Aso-Oguni Wind Farm	J-Wind Co., Ltd.	Kumamoto Prefecture	(5)	8,500	100%	2007 (2009)*5
Minami Oosumi Wind Farm	Minami Kyushu Wind Power Co., Ltd.	Kagoshima Prefecture	(20)	26,000	99%	2003 (Nejime) (2009)*5 2004 (Sata) (2009)*5
Domestic Total			(229)	402,460		
Zajaczkowo Wind Farm	Zajaczkowo Windfarm Sp. zo. o.	Poland	(24)	48,000	50%	2008
Total including overseas			(253)	450,460		

*5 The year when J-POWER purchased its current holdings of shares from other companies.

Domestic Electric Power Business (Transmission/Transformation)

Overview of Operations and Salient Features

As a wholesale supplier of electric power supplying electricity nationwide, J-POWER owns and operates approximately 2,400 km of transmission lines and nine substations and converter stations throughout Japan. In addition to transmitting electric power generated by its own power plants to demand areas, J-POWER supports parts of the grids of electric power companies by connecting the grid of each company, fulfilling a major role in the nationwide operation of Japan's overall power grid.

In particular, we operate critical facilities that support wide-area power interchange in Japan, such as interconnecting lines (Kitahon HVDC Link, Honshi Interconnecting Line, Anan-Kihoku HVDC Link, and Kanmon Interconnecting Line) connecting Honshu with Hokkaido, Shikoku and Kyushu as well as the Sakuma Frequency Converter Station, which connects the different frequencies of eastern Japan (50 Hz) and western Japan (60 Hz). J-POWER's transmission/transformation facilities contributed to alleviating the tight regional electricity supply-demand balances that followed the Great East Japan Earthquake. The Company will maintain facility reliability and focus efforts on ensuring stable operations.

J-POWER also maintains a communications network throughout Japan that is used for facility protection, monitoring, and control as well as operational management to contribute to the operation of the power plants and the power grid.

Furthermore, in June 2016, the Organization for Cross-regional Coordination of Transmission Operators published its Cross-Regional Network Development Plan, which includes plans for increasing the capacity of the Sakuma Frequency Converter Station. J-POWER has been chosen to implement this plan. Accordingly, in line with government policy requirements and the purpose of the plan—to ensure the stable supply of electric power—the Company is advancing detailed examinations in preparation for construction.

Sakuma Frequency Converter Station

Major Transmission Lines (As of March 31, 2016)

Major Transmission Lines	Beginning of Operation	Location	Distance	Voltage
Tokachi Trunk Line	1956	Hokkaido Prefecture	214.4 km	187 kV
Kitahon HVDC Link	1979	Hokkaido Prefecture – Aomori Prefecture	167.4 km	DC±250 kV
Tadami Trunk Line	1959	Fukushima Prefecture – Tokyo Metropolitan Area	216.2 km	275kV-500 kV
Sakuma East Trunk Line	1956	Shizuoka Prefecture – Tokyo Metropolitan Area	197.2 km	275 kV
Sakuma West Trunk Line	1956	Shizuoka Prefecture – Aichi Prefecture	107.7 km	275 kV
Miboro Trunk Line	1960	Gifu Prefecture – Aichi Prefecture	108.6 km	275 kV
Honshi Interconnecting Line	1994	Kagawa Prefecture – Okayama Prefecture	127.0 km	500 kV
Anan-Kihoku HVDC Link	2000	Tokushima Prefecture – Wakayama Prefecture	99.8 km	DC±250 kV
Nahari Trunk Line	1960	Kochi Prefecture – Ehime Prefecture	119.9 km	187 kV
Kanmon Interconnecting Line	1980	Fukuoka Prefecture – Yamaguchi Prefecture	64.2 km	500 kV

Substations (As of March 31, 2016)

Substations	Beginning of Operation	Location	Output
Isawa	2012	Iwate Prefecture	9,000 kVA
Minami Kawagoe	1959	Saitama Prefecture	1,542,000 kVA
Nishi Tokyo	1956	Tokyo Metropolitan Area	1,350,000 kVA
Nagoya	1956	Aichi Prefecture	1,400,000 kVA

Frequency Converter Station (As of March 31, 2016)

Frequency Converter Station	Beginning of Operation	Location	Output
Sakuma	1965	Shizuoka Prefecture	300,000 kW

AC/DC Converter Stations (As of March 31, 2016)

AC/DC Converter Stations	Beginning of Operation	Location	Output
Hakodate	1979	Hokkaido Prefecture	600,000 kW
Kamikita	1979	Aomori Prefecture	600,000 kW
Kihoku	2000	Wakayama Prefecture	1,400,000 kW
Anan	2000	Tokushima Prefecture	1,400,000 kW

Electric Power-Related Business

Overview of Operations and Salient Features

J-POWER operates electric power-related businesses that support the smooth and efficient implementation of its electric power business. Specifically, these businesses are required for the operation of power generation, transmission, and transformation facilities and include businesses undertaking the design, construction, inspection and maintenance of those facilities; importing coal; and transporting coal using the Company's vessels. J-POWER conducts the maintenance of the power-generation facilities of its domestic wholesale electric power business in close partnership with its subsidiaries.

Coal Procurement

J-POWER procures fuel coal primarily from Australia and Indonesia. In Australia, the Company owns interests in three coal-mining projects through subsidiaries.

The global supply and demand of coal can vary greatly due to demand from developing countries, including China and India, trends related to energy resources other than coal, such as liquefied natural gas (LNG), and other geopolitical factors. In view of this situation, J-POWER has an upstream presence with respect to the ownership of coal mines and securing diversified procurement sources to stably procure coal as fuel for thermal power generation over the long term.

Coal Mining Projects

(As of March 31, 2016)

Mine Name	Location	Loading Port	Production Volume 2015*1	Investment Ratio*2	Beginning of Commercial Production
Clermont	Queensland	Dalrymple Bay	13.09 million t	15%	2010
Narrabri	New South Wales	Newcastle	7.61 million t	7.5%	2010
Maules Creek	New South Wales	Newcastle	4.99 million t (Approx. 10.7 million t/yr)	10%	2014

*1 The production volumes in parentheses represent figures for anticipated peak production.
*2 Investment through a subsidiary, J-POWER AUSTRALIA PTY. LTD.

Overseas Business

Overview of Operations and Salient Features

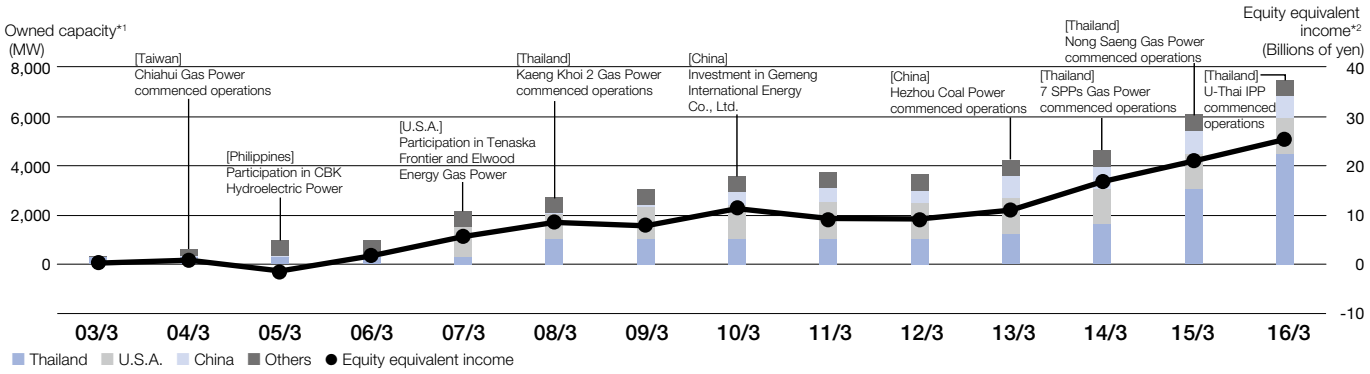
J-POWER has been involved in the overseas consulting business since 1960. Over the many years since, it has undertaken consulting business around the world, including for environmental impact assessments, the adoption of desulfurization, denitrification, and other environmental technologies in coal-fired thermal power generation, and the planning, design, and construction supervision of thermal and hydroelectric power and transmission and transformation projects.

Amid ongoing deregulation of electric power industries around the world, J-POWER established a dedicated in-house organization in 1997 and commenced activities that would lead to the development of overseas power generation business that participates in projects by investing capital and technologies in overseas markets where ongoing strong demand is expected.

At first, the focus was on participation based on a model of partial involvement in the building and operation of power plants through comparatively small-scale capital investment. Amid intense competition, the Company steadily built up its experience and track record and expanded its business participation to major capital investment and greenfield projects. In Thailand, J-POWER started business participation in 2000, and operations at the large-scale gas combined cycle Kaeng Khoi 2 Power Plant commenced in 2007. Furthermore, beginning in 2013, gas-fired thermal power plants came on stream as SPP and IPP projects through Thai consolidated subsidiaries of which J-POWER is the major investor.

In addition, having launched a local subsidiary and started full-scale business development in the United States in 2005, J-POWER commenced its first commercial operations of a U.S. greenfield project, the Orange Grove Power Plant, in 2010.

Owned Capacity*1 (In Operations) and Equity Equivalent Income*2 of Overseas Power Generation Business



*1 Owned capacity [left]: Calculated as the total project capacity multiplied by J-POWER's equity ratio; figures are amounts recorded at the fiscal year-end.

*2 Equity equivalent income [right]: The total of equity income of affiliates and consolidated project equity equivalent income. Out of which consolidated project equity equivalent income is the total of income after tax for each consolidated project company in commercial operation multiplied by the capital investment ratio of the company. To indicate the actual status of equity equivalent income, foreign exchange gains and losses are deducted.

Project Development at Consolidated Subsidiaries in Thailand

Through its local consolidated subsidiaries, J-POWER has developed seven 100 MW class gas-fired thermal power projects (7 SPPs project) in line with the Thai government's SPP program and two large-scale gas-fired IPP projects (1,600 MW each). As a result of these efforts, the 7 SPPs project came online in 2013, the Nong Saeng IPP project in 2014, and the U-Thai IPP in 2015.

A long-term power purchase agreement (PPA) has been signed with the Electricity Generating Authority of Thailand (EGAT) for each of these projects, under which they will supply electricity to EGAT for 25 years. The 7 SPPs project supplies power, steam, and cold water to customers in the industrial park close to the power plants, in addition to the power supply to EGAT.

Through the operating companies for these nine projects, of which J-POWER is the major investor through its local Thai subsidiary, the Company sets up project finance and conducts construction, operation, and maintenance.

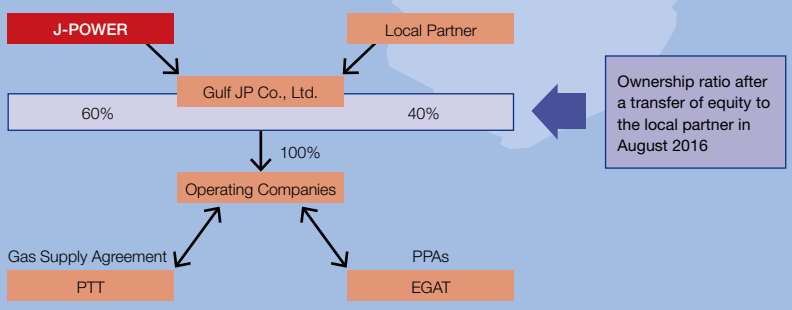
U-Thai (Thailand)

Nong Saeng (Thailand)

Overviews of Project Development at Consolidated Subsidiaries in Thailand (As of August 31, 2016)

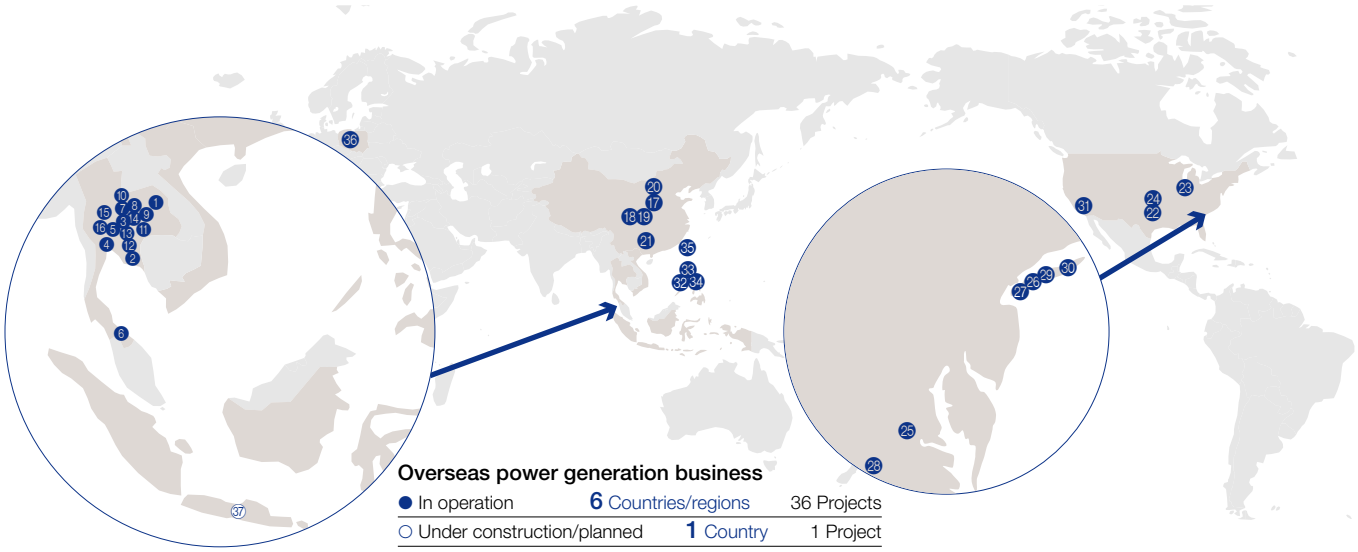
Project Name	Overview
7 SPPs*1 Capacity: Total 790 MW (110 MW×5) (120 MW×2) Type: CCGT*3 Start of operation: 2013	• Seven 100 MW class cogeneration gas-fired thermal power plants based on the Thai Government's SPP program.*1 • The projects will sell electricity to the Electricity Generating Authority of Thailand (EGAT) and nearby customers for 25 years (they will also supply steam and cold water to nearby customers). • After a transfer of equity of Gulf JP Co., Ltd. to the local partner in August 2016, J-POWER holds a 60% stake in six plants and a 45% stake*2 in one plant.
Nong Seang IPP Capacity: Total 1,600 MW (800 MW x 2 units) Type: CCGT*3 Start of operation: 2014	• Sale of electricity to EGAT for 25 years from the commencement of operations
U-Thai IPP Capacity: Total 1,600 MW (800 MW x 2 units) Type: CCGT*3 Start of operation: 2015	

Scheme Diagram



*1 SPP (Small Power Producers) program: The long-term power purchase scheme established by the Thai government. This scheme promotes cogeneration systems, renewable energy, and similar methods, and aims at reducing the import and use of fuel oil. EGAT guarantees the purchase of electricity generated from eligible suppliers up to 90 MW of capacity.
*2 As for the NLL project of the 7 SPPs project, a part of its stake was sold to an operating company of its industrial park on January 2013.
*3 CCGT: Combined Cycle Gas Turbine

Overseas Power Generation Projects (As of August 31, 2016)



Current Status	Project Name	Generation Type	Capacity (MW)	Ownership	Power Purchaser	Validity of PPA
	Thailand					
In operation	❶ Roi-Et	Biomass (Chaff)	10	24.7%	Electricity Generating Authority of Thailand	Valid to 2024
	❷ Rayong	Gas (Combined Cycle)*1	112	20%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2024
	❸ Gulf Cogeneration (Kaeng Khoi)	Gas (Combined Cycle)*1	110	49%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2019
	❹ Samutprakarn	Gas (Combined Cycle)*1	117	49%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2020
	❺ Nong Khae	Gas (Combined Cycle)*1	120	49%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2021
	❻ Yala	Biomass (Rubber Wood Waste)	20	49%	Electricity Generating Authority of Thailand	Valid to 2031
	❼ Kaeng Khoi 2	Gas (Combined Cycle)*1	1,468	49%	Electricity Generating Authority of Thailand	Valid to 2033
	❽ KP1*2	Gas (Combined Cycle)*1	110	60%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2038
	❾ KP2*2	Gas (Combined Cycle)*1	110	60%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2038
	❿ TLC*2	Gas (Combined Cycle)*1	110	60%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2038
	⓫ NNK*2	Gas (Combined Cycle)*1	110	60%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2038
	⓬ NLL*2	Gas (Combined Cycle)*1	120	45%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2038
	⓭ CRN*2	Gas (Combined Cycle)*1	110	60%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2038
	⓮ NK2*2	Gas (Combined Cycle)*1	120	60%	Electricity Generating Authority of Thailand/ Companies in the industrial park	Valid to 2038
	⓯ Nong Saeng	Gas (Combined Cycle)*1	1,600	60%	Electricity Generating Authority of Thailand	Valid to 2039
	⓰ U-Thai	Gas (Combined Cycle)*1	1,600	60%	Electricity Generating Authority of Thailand	Valid to 2040
	Subtotal 16 projects		**5,947 (Owned capacity: 3,300 MW)**			

*1 Combined cycle generating system which uses a gas turbine and a steam turbine driven by the exhaust gas from the gas turbine.
*2 7 SPPs project commenced operation in 2013

Hezhou Power Plant (China)

Green Country (U.S.A.)

Current Status	Project Name	Generation Type	Capacity (MW)	Ownership	Power Purchaser	Validity of PPA
	China					
In operation	⑰ Tianshi	Low-Grade Coal Coal Waste	50	24%	Shanxi Province Power Corporation	Renewed every year*4
	⑱-⑲ Hanjiang (Xihe/Shuhe)	Hydroelectric	450	27%	Shaanxi Electric Power Company	Renewed every year*4
	⑳ Gemeng*3	Mainly Coal	6,018	7%	Shanxi Province Power Corporation	—
	㉑ Hezhou	Coal	2,090	17%	Guanxi Power Grid Co.	Renewed every year*4
	Subtotal 5 projects		**8,584 (Owned capacity: 910 MW)**			
	U.S.A.					
In operation	㉒ Tenaska Frontier	Gas (Combined Cycle)*1	830	31%	Exelon Generation Company, LLC	Valid to 2020
	㉓ Elwood Energy	Gas (Simple Cycle)	1,350	25%	Constellation/PJM market	Partially valid to 2016/2017
	㉔ Green Country	Gas (Combined Cycle)*1	795	50%	Exelon Generation Company, LLC	Valid to 2022
	㉕ Birchwood	Coal	242	50%	Virginia Electric and Power Company	Valid to 2021
	㉖ Pinelawn	Gas (Combined Cycle)*1	80	50%	Long Island Power Authority	Valid to 2025
	㉗ Equus	Gas (Simple Cycle)	48	50%	Long Island Power Authority	Valid to 2017
	㉘ Fluvanna	Gas (Combined Cycle)*1	885	15%	Shell Energy North America	Valid to 2024
	㉙ Edgewood	Gas (Simple Cycle)	88	50%	Long Island Power Authority	Valid to 2018
	㉚ Shoreham	Jet Fuel (Simple Cycle)	80	50%	Long Island Power Authority	Valid to 2017
	㉛ Orange Grove	Gas (Simple Cycle)	96	50%	San Diego Gas & Electric	Valid to 2035
	Subtotal 10 projects		**4,494 (Owned capacity: 1,442 MW)**			
	Other Countries/Region					
In operation	㉜-㉞ CBK (Philippines) (3 projects)	Hydroelectric	728	50%	National Power Corporation	Valid to 2026
	㉟ Chiahui (Taiwan)	Gas (Combined Cycle)*1	670	40%	Taiwan Power Company	Valid to 2028
	㊱ Zajaczkowo (Poland)	Wind Power	48	50%	ENERGA OBROT S.A.	Valid to 2023
	Subtotal 5 projects		**1,446 (Owned capacity: 656 MW)**			
In planning stage	㊲ Central Java (Indonesia)	Coal	2,000	34%	PT PLN	25 years

*3 Gemeng International Energy Co., Ltd., is an electric power company that owns 14 power generation companies.
*4 Although power purchase agreements are renewed every year, J-POWER makes other agreements with power purchasers for continuous power purchase during operations.

Other Business

Overview of Operations and Salient Features

Aiming to fully utilize the management resources and know-how at its disposal, J-POWER operates multifaceted businesses. These include telecommunications businesses through its consolidated subsidiaries and affiliates as well as environment-related businesses involving the production of solid fuel from sewage sludge for use as biomass fuel at coal-fired thermal power plants. In addition, J-POWER is active in innovative power businesses, such as waste power generation and cogeneration systems, and provides technical consulting services in Japan.

Main Projects under Other Business

(As of March 31, 2016)

Project Name	Location	Business	Ownership (%)	Year Operation Commenced
Kanamachi Filtration Plant PFI*1 Business	Tokyo Metropolitan Area	Cogeneration at Kanamachi Filtration Plant of Tokyo Metropolitan Government's Bureau (Gas turbine generator, capacity: 12.28 MW)	20%	2000
Narumi Plant PFI*1 Business	Aichi Prefecture	Maintenance and operation at Narumi Plant in Nagoya (General waste processing capacity: 530 t/day)	11%	2009
Miyazaki Wood Pellet Project	Miyazaki Prefecture	Demonstration business of an integrated system from manufacturing wood pellets from unused forest offcut, including construction of manufacturing facilities, up to the use of pellets for mixed combustion in J-POWER's coal-fired thermal power plants (Pellet production capacity: 25,000 t/year).	98.3%	2011
Hiroshima City Seibu Water Reclamation Center/ Sewage Sludge Fuel Project	Hiroshima Prefecture	Integrated DBO-type*2 sewage sludge-based biofuels recycling project, from the construction of biofuel manufacturing facilities to mixed combustion in J-POWER's coal-fired thermal power plants (Sludge processing capacity: 100 t/day)	33.8%	2012
Kumamoto Sewage Sludge Solid Fuel Project	Kumamoto Prefecture	Integrated DBO-type*2 sewage sludge-based biofuels recycling project, from the construction of biofuel manufacturing facilities to mixed combustion in J-POWER's coal-fired thermal power plants and others (Sludge processing capacity: 50 t/day)	44%	2013
Osaka City Hirano Sewage Treatment Plant/Sludge Solid Fuel Project	Osaka Prefecture	Integrated PFI-type*1 sewage sludge-based biofuels recycling project, from the construction of biofuel manufacturing facilities to mixed combustion in J-POWER's coal-fired thermal power plants and others (Sludge processing capacity: 150 t/day)	60%	2014
Omuta Waste-Fueled Power Plant	Fukuoka Prefecture	Recycling power generation using solid fuel (RDF: Refuse derived fuel) made by compressing and forming general waste (Generating capacity: 20.6 MW, RDF processing capacity: 315 t/day)	45.2%	2002

*1 PFI (Private Finance Initiative): The method of conducting public-sector projects from construction through the operating stages by drawing on private-sector funding, management know-how, technology, and other resources.
*2 DBO (Design, Build, Operate): A system whereby the public sector finances projects and then commissions the private sector to undertake their design, building, and operation

Management System

Basic Philosophy

In accordance with the J-POWER Group Corporate Philosophy, the Company endeavors to enhance corporate governance on an ongoing basis in order to realize sustainable growth and increase corporate value over the medium-to-long term.

The Company has established the Basic Policy on Corporate Governance, outlining its fundamental approach to and policy regarding corporate governance.

For more information about the Basic Policy on Corporate Governance (established October 30, 2015) and the Corporate Governance Report, please refer to the J-POWER Group website.
URL: http://www.jpower.co.jp

Corporate Governance System

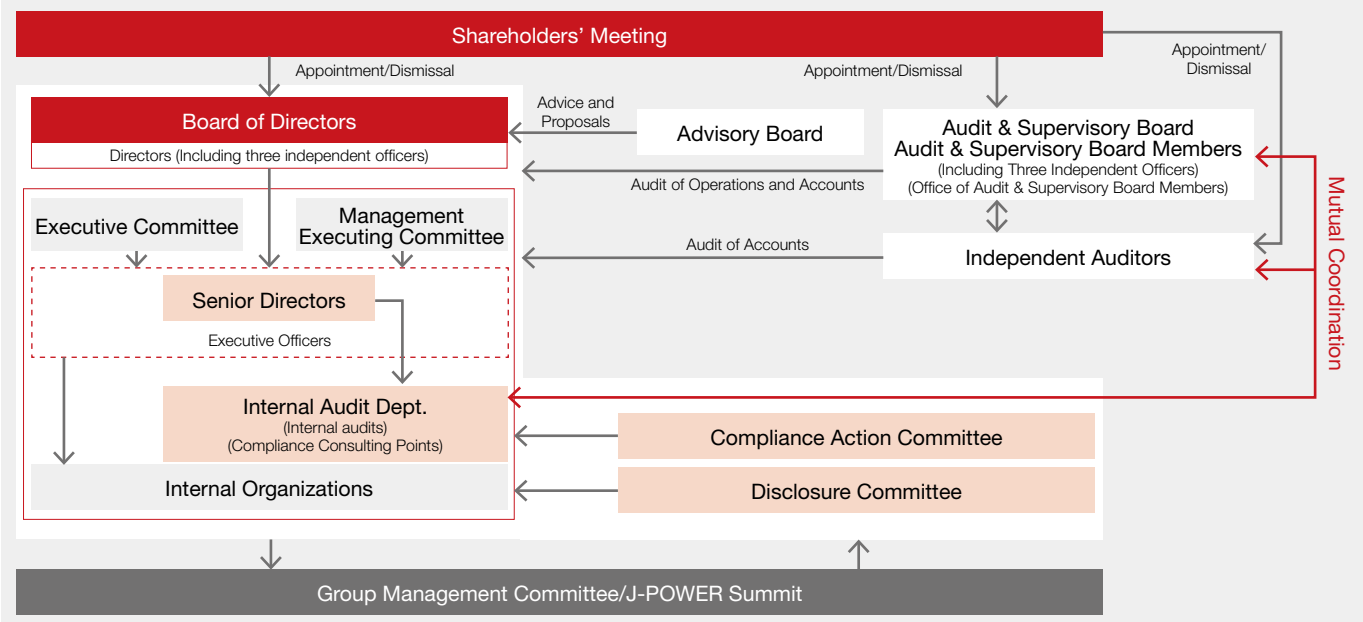
Having built a corporate governance system that centers on two units—the Board of Directors, which has 14 members, including 3 outside directors, and the Audit & Supervisory Board, which has 5 members, including 3 Outside Audit & Supervisory Board Members—J-POWER has been strengthening its supervisory and monitoring functions.

Senior directors* and executive officers are responsible for executing operations, and a system of mutual oversight through, for example, Board of Directors' meetings has been built. To strengthen the supervisory function of the Board of Directors, J-POWER installs a chairman who focuses on supervisory functions as a director, and appoints outside directors who participate in the Company's management decision making with an independent perspective. In addition, Audit & Supervisory Board Members attend Board of Directors' meetings and other meetings, and they are positioned to constantly monitor the directors' execution of their management duties. At least half of the Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members with abundant experience in such fields as the management of leading Japanese listed companies or the execution of governmental policies, and we are confident that their inclusion in our corporate governance system enables the system to fully carry out its functions.

A director's term of office is for one year. The outside directors and Outside Audit & Supervisory Board Members are all independent corporate officers (outside directors and Outside Audit & Supervisory Board Members with a high level of independence and no potential conflicts of interest with ordinary shareholders) in accordance with the Securities Listing Regulations of the Tokyo Stock Exchange.

* Senior directors: chairman, president, and executive vice president

Corporate Governance Framework and Internal Control System
(As of June 23, 2016)



Legal Compliance of Directors and Employees in the Execution of Their Duties

In accordance with the J-POWER Group Corporate Philosophy and the J-POWER Group Corporate Conduct Rules, directors take the initiative in displaying exemplary honest and fair conduct based on a firm spirit of respect for the law and a solid sense of ethics while also endeavoring to instill similarly rigorous conduct standards among all J-POWER employees.

The directors make it known to all employees that they are not to maintain any kind of relationship with antisocial elements that threaten the safety and order of civil society. In addition, through having set up an internal department to act as a point of contact in the event that demands are received from antisocial elements, J-POWER maintains a system that enables it to rapidly gather information, liaise with specialist external agencies, and appropriately respond.

System for the Execution of Directors' Duties

The Board of Directors meets monthly, in principle, and also on an as-needed basis, with the attendance of all directors and Audit & Supervisory Board Members, including outside directors and auditors. The Executive Committee meets every week, in principle, with the attendance of all senior directors, executive managing officers, and full-time Audit & Supervisory Board Members. This committee discusses matters that will be subject to deliberation by the Board of Directors as well important matters related to business execution of the president and executive vice presidents in line with decisions approved by the Board of Directors that have impact on the entire Company. Management Executing Committee meetings are held twice each month, in principle—with the attendance of all senior directors and executive officers relevant to the matters under discussion as well as all the full-time Audit & Supervisory Board Members—to discuss important matters concerning each item of business execution. In addition to allocating functions among the Board of Directors, the Executive Committee, and the Management Executing Committee, we have introduced an executive officer system in which senior directors and executive officers share responsibility for operational execution. Under this system, management responsibilities and authorities are clearly defined, which enables appropriate and speedy decision making and efficient corporate management.

The senior directors and executive officers provide reports regarding the performance of their duties to the Board of Directors or the Executive Committee on a regularly scheduled basis as well as on an as-needed basis. In accordance with relevant laws and regulations and Company regulations, the minutes of those reports are prepared and appropriately stored and managed. Other documents related to the performance of duties are also properly prepared, stored, and managed in accordance with Company regulations.

In addition to maintaining these supervisory and monitoring functions, to ensure that operations are conducted in a proper manner, we have established the Internal Audit Department, which conducts internal audits from a perspective that is independent of other operating units. Moreover, each operating unit regularly conducts self-audits with respect to its own operational execution.

Regarding the disclosure of information to those outside the Company, we are seeking to improve the transparency and accountability of our corporate activities and have, therefore, established the Disclosure Committee. Chaired by the president, this committee works to ensure that the Company discloses information that is fair and transparent in a timely and proactive manner.

Advisory Board

Aiming to further improve our corporate governance, we have established the J-POWER Advisory Board, which provides a forum for experts from outside the Company to provide advice and suggestions designed to increase corporate value based on diverse, objective perspectives. Comprised of four outside members and inside members (all senior directors, including the president), the J-POWER Advisory Board meets several times each year. Rather than recruiting outside members with expertise directly related to the energy business, we have emphasized the selection of people who have a broad range of experience and insight and are well positioned to actively provide opinions related to the state of management, management plans, and important corporate challenges and objectives.

Outside Members of the J-POWER Advisory Board

(As of June 23, 2016)

Takamitsu Sawa	Distinguished Professor, Shiga University
Nobuhiko Shima	Journalist
Mieko Nishimizu	Senior Partner, Think Tank SophiaBank
Takashi Wachi	Former Director and Honorary Chairman, Terumo Corporation

Audits by Audit & Supervisory Board Members

In accordance with the Companies Act, J-POWER appoints Audit & Supervisory Board Members, who audit the legality and appropriateness of directors' business execution. At J-POWER's headquarters, Audit & Supervisory Board Members conduct audits by attending the Board of Directors' meetings and other important meetings and observing the status of the execution of directors' and executive officers' duties. In addition, the Audit & Supervisory Board Members perform site visits to local operating units and subsidiaries in Japan and overseas.

In the course of accounting audits, Audit & Supervisory Board Members liaise with the independent auditors to regularly receive reports and exchange opinions regarding auditing schedules and results as a means of ensuring consistency with the independent auditors' auditing methods and results.

When performing audits, Audit & Supervisory Board Members liaise with the Internal Audit Department.

With regard to staff under the Audit & Supervisory Board Members, we have established the Office of Audit & Supervisory Board Members as an independent unit outside of the directors' chain of command. The office's full-time specialist staff assist the Audit & Supervisory Board Members in the course of their audits.

Group Governance

With regard to the administration of subsidiaries and affiliates, the J-POWER Group's basic policy calls for Group-wide business development in accordance with the Group's management plan. The administration of subsidiaries and affiliates is undertaken in accordance with the Company's internal regulations, and the Group Management Committee works to ensure the appropriateness of operations for the entire corporate Group. In addition, the Audit & Supervisory Board Members and the Internal Audit Department implement audits of subsidiaries and affiliates with the objective of ensuring proper operations at all Group companies.

In addition, we have established a meeting of Group leaders with the objective of promoting information exchanges and other activities within the Group as a whole. This meeting is held several times each year with the attendance of the president as well as such other participants as directors, executive officers, full-time Audit & Supervisory Board Members, general directors of domestic and overseas units of the Company, and representatives of principal subsidiaries. Besides promoting the awareness of issues with respect to which the Group should be concertedly sharing information and implementing, participants make requests and exchange opinions related to those issues.

Risk Management

With respect to risks associated with the execution of corporate activities, J-POWER incorporates mutual checks and balances in its decision-making processes, undertakes discussions in various meetings and committees, and always maintains risk management frameworks in accordance with Company regulations. These initiatives are designed to ensure the awareness of risks and risk avoidance measures as well as to minimize the impact of any damage eventuating from risks.

Response to Internal Control and Reporting System

With respect to the financial reporting-related internal control and reporting system stipulated in Japan's Financial Instruments and Exchange Act, the J-POWER Group's internal control systems are established, operated, and evaluated mainly by the Accounting & Finance Department and Internal Audit Department.

In fiscal 2015, as in the previous year, evaluations of the development and operation of internal controls were conducted by management with respect to Company-wide internal controls, operational process-related internal controls, and information technology-based internal controls in accordance with the implementation standards of Japan's Financial Services Agency, and it was determined that the Company's financial reporting-related internal control system is effective. Compiled in the form of an Internal Control Report, this evaluation result was submitted to the Director-General of the Kanto Finance Bureau in June 2016 following an audit carried out by the Company's independent auditors.

Going forward, the J-POWER Group will continue verifying the efficacy of its internal control system and ensuring the reliability of its financial reporting.

Compliance

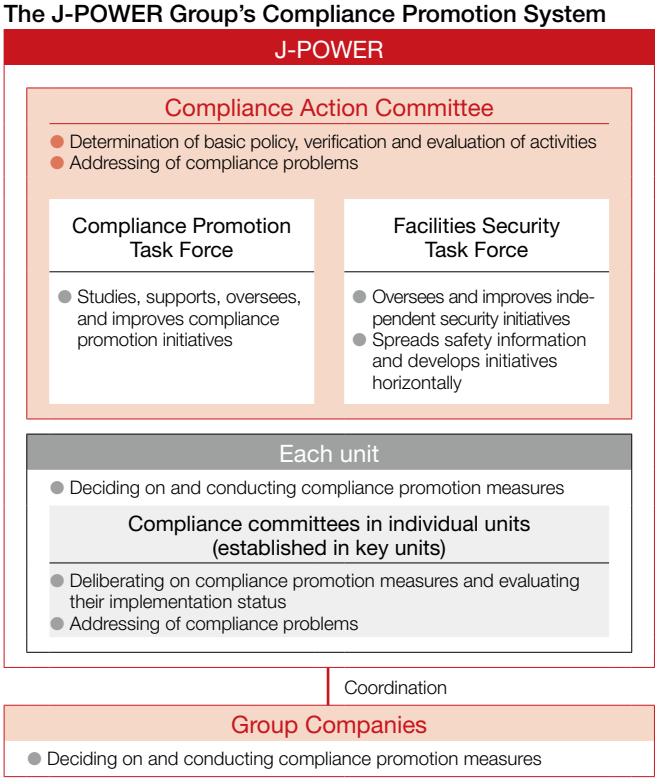
Based on the J-POWER Group Corporate Philosophy, we have formulated the J-POWER Corporate Conduct Rules, which are basic guidelines for behavior in line with compliance and business ethics principles that must be observed in the course of implementing business operations and set forth basic principles for compliance. The Compliance Code lays down more-concrete decision-making standards for actions taken by individual employees, including members of management, when conducting business activities. In addition, the Company distributes copies of The Compliance Manifesto to all employees and works to encourage the awareness of compliance by having them sign and carry the manifesto with them.

J-POWER has given its chairman responsibility for overseeing Company-wide compliance. The Company's compliance promotion system centers on the director in charge of compliance, who implements compliance promotion programs and assists the chairman and president in this regard. In addition, the Compliance Action Committee, chaired by the chairman, has been established to discuss Company-wide compliance promotion measures, evaluate the implementation status of them, and address issues related to compliance violations. To quickly and accurately promote operations pertaining to compliance promotion, two task forces have been set up, one regarding Companywide compliance promotion and the other autonomous safety activities based on the safety regulations of the Company. Two executive vice presidents have been assigned to chair these task forces.

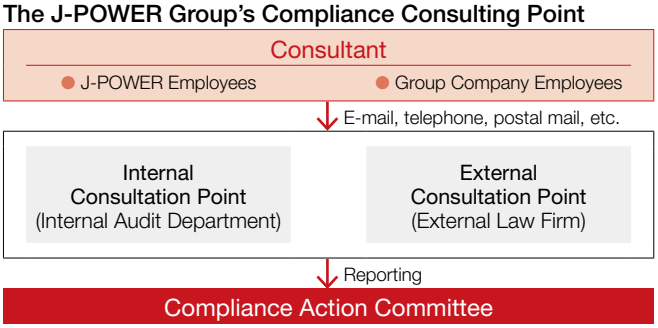
At such major operating units as branches and thermal power plants, compliance committees are also established in individual units to carry out compliance activities tailored to the special characteristics of each unit. Group companies also participate in these compliance committees so that compliance activities are consistently promoted throughout the Group. Compliance Consulting Points have been established at the Internal Audit Department and at an external law firm to serve as a consulting hotline in the event that employees face compliance issues. The employees who are seeking or have attended a consultation are rigorously protected.

The J-POWER Group is working to promote compliance by dividing compliance-related duties and responsibilities among these units while also encouraging cooperation and collaboration among the units.

The J-POWER Group's Compliance Promotion System



The J-POWER Group's Compliance Consulting Point



Overview of Our "Compliance Action Policy"

1. Basics
1) Adhering to practices determined by the laws and by internal rules 2) Acting in accordance with societal standards and Company norms
2. Nature of Compliance
1) Relations with Society a. Contribution to society b. Proper information disclosure c. Restrictions on contributions and fund donations to political parties d. Rebuffing of all relations with anti-social elements e. Conservation of the natural environment f. Appropriate use of information systems g. Protection of intellectual property rights h. Strict abidance by the import and export laws and regulations
2) Relations with Customers, Suppliers, and Competitors a. Safety and reliability of energy supply and product sales b. Adherence to the Antimonopoly Act c. Fair transactions with suppliers d. Prevention of unfair competition e. Entertaining and bribery
3) Corporate Assets, Accounting, and Relations with Shareholders and Investors a. Appropriate use of corporate assets b. Appropriate accounting and tax management c. Disclosure of management information d. Prohibition of insider trading
4) Relations with Government Authorities and Civil Servants a. Proper approval and notification procedures b. Entertaining of, and bribes to, civil servants
5) Relations with Employees a. Respect for human rights b. Protection of privacy c. Safety and sanitation of the workplace d. Adherence to the Labor Law e. Adherence to the rules of employment

Environmental Management and Corporate Social Responsibility Initiatives

Based on its Corporate Philosophy of meeting people's needs for energy without fail and playing its part for the sustainable development of Japan and the rest of the world, the J-POWER Group is continuously pursuing initiatives aimed at achieving both stable electricity supply and environmental preservation through its corporate activities. For information about such initiatives, please see the J-POWER Group's Sustainability Report.
URL: http://www.jpower.co.jp/english/company_info/environment/er_2015index.html

Directors, Audit & Supervisory Board Members, and Executive Officers

(As of June 22, 2016)

Chairman
Representative Director
Masayoshi Kitamura
Company-wide compliance

President
Representative Director
Toshifumi Watanabe

Executive Vice President
Representative Director
Hitoshi Murayama
Assistant to the president for production/technology oversight
Technical administration

Executive Vice President
Representative Director
Masato Uchiyama
Assistant to the president for development/sales oversight/ international business
Department Director of Energy Business (delegation of administrative works)

Executive Vice President
Representative Director
Junji Nagashima
Assistant to the president for nuclear power oversight
Department Director of Nuclear Power Business (delegation of administrative works)

Executive Vice President
Representative Director
Shuji Etoh
Assistant to the president for corporate oversight
Disaster readiness
Department Deputy Director of Nuclear Power Business (delegation of administrative works)

Executive Managing Officer,
Director
Itaru Nakamura
Accounting & Finance Dept.
Personnel & Employee Relations Dept.
General Affairs Dept.
Energy Planning Dept.
Department Deputy Director of Energy Business (delegation of administrative works)

Executive Managing Officer,
Director
Yoshiki Onoi
International Business Management Dept.
International Business Development Dept.
Department Director of International Business (delegation of administrative works)

Executive Managing Officer,
Director
Akihito Urashima
Nuclear Power Engineering Dept.
Ohma General Management Dept.
Department Deputy Director of Nuclear Power Business (delegation of administrative works)

Executive Managing Officer,
Director
Hiromi Minaminosono
Secretarial Affairs & Public Relation Dept.
Siting & Environment Dept.
Power Business Planning & Development Dept.
Nuclear Power Management Dept.
Department Deputy Director of Energy Business (delegation of administrative works)
Department Deputy Director of Nuclear Power Business (delegation of administrative works)

Executive Managing Officer,
Director
Hiroyasu Sugiyama
Civil & Architectural Engineering Dept.
Hydroelectric Power Business, Thermal Power Engineering Business, and International Business (matters under special assignment)
Department Deputy Director of Nuclear Power Business (delegation of administrative works)

Director
Go Kajitani*1, 3

Director
Tomonori Ito*1, 3

Director
John Buchanan*1, 3

Senior Audit & Supervisory Board Members

Akira Samata
Hiroshi Fujioka*2, 3
Naori Fukuda

Audit & Supervisory Board Members

Mutsutake Otsuka*2, 3
Kiyoshi Nakanishi*2, 3

Executive Managing Officers

Shirou Otsuka
Shinichi Kawatani
Hideki Tsukuda
Makoto Honda
Shosaku Kusunose

Executive Officers

Yoshikazu Shimada
Ryo Suzuki
Hisanori Shizuma
Hitoshi Kanno
Hiroshi Sasatsu

*1 Outside Director *2 Outside Audit & Supervisory Board Member *3 Independent Officer

Financial Section/Fact Data

*Changes to certain accounting methods applied in the year ending March 31, 2017 are not reflected in the figures presented for the fiscal year ended March 31, 2016.

Consolidated Balance Sheets

(Millions of yen)

	2015/3	2016/3
Assets		
Noncurrent Assets	2,275,453	**2,237,836**
Electric Utility Plant and Equipment	986,552	**952,230**
Hydroelectric Power Production Facilities	348,911	**344,014**
Thermal Power Production Facilities	334,252	**316,532**
Internal Combustion Engine Power Production Facilities	5,105	**3,754**
Renewable Power Production Facilities	40,877	**35,960**
Transmission Facilities	168,680	**161,784**
Transformation Facilities	30,206	**29,960**
Communication Facilities	8,469	**8,449**
General Facilities	50,049	**51,772**
Overseas Business Facilities	264,800	**357,448**
Other Noncurrent Assets	115,111	**101,827**
Construction in Progress	506,967	**444,814**
Construction and Retirement in Progress	506,967	**444,814**
Nuclear Fuel	71,467	**73,447**
Nuclear Fuel in Processing	71,467	**73,447**
Investments and Other Assets	330,555	**308,067**
Long-Term Investments	269,891	**234,506**
Net Defined Benefit Asset	278	**—**
Deferred Tax Assets	38,705	**41,655**
Other	21,725	**31,950**
Allowance for Doubtful Accounts	(45)	**(45)**
Current Assets	383,695	**308,436**
Cash and Deposits	69,151	**87,659**
Notes and Accounts Receivable–Trade	71,288	**66,312**
Short-Term Investments	167,433	**72,410**
Inventories	37,781	**41,199**
Deferred Tax Assets	5,736	**5,268**
Other	32,337	**35,601**
Allowance for Doubtful Accounts	(32)	**(14)**
Total Assets	2,659,149	**2,546,272**

(Millions of yen)

	2015/3	2016/3
Liabilities		
Noncurrent Liabilities	1,633,825	**1,561,072**
Bonds Payable	666,061	**575,079**
Long-Term Loans Payable	857,846	**867,276**
Lease Obligations	697	**479**
Other Provision	84	**89**
Net Defined Benefit Liability	48,901	**65,912**
Asset Retirement Obligations	7,510	**11,685**
Deferred Tax Liabilities	20,394	**18,294**
Other	32,327	**22,254**
Current Liabilities	329,025	**304,100**
Current Portion of Noncurrent Liabilities	169,754	**158,131**
Short-Term Loans Payable	30,044	**28,009**
Notes and Accounts Payable–Trade	44,035	**37,033**
Accrued Taxes	13,516	**23,344**
Other Provision	270	**265**
Asset Retirement Obligations	372	**635**
Deferred Tax Liabilities	5	**22**
Other	71,027	**56,656**
Reserves under the Special Laws	—	**116**
Reserve for Fluctuation in Water Levels	—	**116**
Total Liabilities	1,962,851	**1,865,289**
Net Assets		
Shareholders' Equity	629,463	**656,367**
Capital Stock	180,502	**180,502**
Capital Surplus	109,902	**109,902**
Retained Earnings	339,061	**365,967**
Treasury Shares	(2)	**(4)**
Accumulated Other Comprehensive Income	59,268	**15,775**
Valuation Difference on Available-for-Sale Securities	19,860	**12,516**
Deferred Gains or Losses on Hedges	(15,821)	**(14,395)**
Foreign Currency Translation Adjustment	53,205	**30,464**
Remeasurements of Defined Benefit Plans	2,023	**(12,809)**
Non-Controlling Interests	7,566	**8,839**
Total Net Assets	696,298	**680,982**
Total Liabilities and Net Assets	2,659,149	**2,546,272**

*Changes to certain accounting methods applied in the year ending March 31, 2017 are not reflected in the figures presented for the fiscal year ended March 31, 2016.

Consolidated Statements of Income

(Millions of yen)

	2015/3	2016/3
Operating Revenues	750,627	**780,072**
Electric Utility Operating Revenue	588,184	**570,837**
Overseas Business Operating Revenue	108,916	**155,952**
Other Business Operating Revenue	53,526	**53,282**
Operating Expenses	677,767	**692,695**
Electric Utility Operating Expenses	521,351	**506,772**
Overseas Business Operating Expenses	98,979	**131,605**
Other Business Operating Expenses	57,436	**54,317**
Operating Income	72,859	**87,376**
Non-Operating Income	22,714	**17,871**
Dividends Income	1,869	**2,409**
Interest Income	1,155	**905**
Share of Profit of Entities Accounted for Using Equity Method	15,659	**10,889**
Other	4,030	**3,667**
Non-Operating Expenses	36,223	**47,214**
Interest Expenses	28,224	**30,460**
Foreign Exchange Losses	1,547	**12,888**
Other	6,451	**3,865**
Total Ordinary Revenue	773,341	**797,944**
Total Ordinary Expenses	713,991	**739,910**
Ordinary Income	59,350	**58,033**
Provision or Reversal of Reserve for Fluctuation in Water Levels	(119)	**116**
Provision of Reserve for Fluctuation in Water Levels	—	**116**
Reversal of Reserve for Fluctuation in Water Levels	(119)	**—**
Extraordinary Income	2,127	**—**
Gains on Sales of Shares of Subsidiaries	2,127	**—**
Profit before Income Taxes	61,598	**57,917**
Income Taxes–Current	7,468	**12,821**
Income Taxes–Deferred	9,917	**4,916**
Total Income Taxes	17,386	**17,738**
Profit	44,212	**40,178**
Profit Attributable to Non-Controlling Interests	1,005	**459**
Profit Attributable to Owners of Parent	43,206	**39,719**

Consolidated Statements of Cash Flows

(Millions of yen)

	2015/3	2016/3
Cash Flows from Operating Activities		
Profit before Income Taxes	61,598	**57,917**
Depreciation and Amortization	93,309	**95,121**
Impairment Loss	2,489	**1,392**
Loss on Retirement of Noncurrent Assets	2,359	**3,656**
Increase (Decrease) in Net Defined Benefit Liability	(4,611)	**(3,351)**
Increase (Decrease) in Reserve for Fluctuation in Water Levels	(119)	**116**
Interest and Dividends Income	(3,024)	**(3,314)**
Interest Expenses	28,224	**30,460**
Decrease (Increase) in Notes and Accounts Receivable–Trade	23	**2,445**
Decrease (Increase) in Inventories	(3,593)	**(3,259)**
Increase (Decrease) in Notes and Accounts Payable–Trade	6,639	**(3,085)**
Loss (Gain) on Sales of Securities	(252)	**(145)**
Share of (Profit) Loss of Entities Accounted for Using Equity Method	(15,659)	**(10,889)**
Loss (Gain) on Sales of Shares of Subsidiaries	(2,127)	**—**
Other, Net	6,841	**3,280**
Subtotal	172,097	**170,342**
Interest and Dividends Income Received	10,735	**13,573**
Interest Expenses Paid	(28,211)	**(30,519)**
Income Taxes Paid	(6,807)	**(7,232)**
Net Cash Provided by (Used in) Operating Activities	147,813	**146,164**
Cash Flows from Investing Activities		
Purchase of Noncurrent Assets	(148,404)	**(140,874)**
Payments of Investment and Loans Receivable	(4,429)	**(2,537)**
Collection of Investment and Loans Receivable	4,053	**15,960**
Proceeds from Sales of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	1,665	**—**
Other, Net	4,150	**(4,123)**
Net Cash Provided by (Used in) Investing Activities	(142,964)	**(131,575)**
Cash Flows from Financing Activities		
Proceeds from Issuance of Bonds	39,858	**—**
Redemption of Bonds	(85,298)	**(60,999)**
Proceeds from Long-Term Loans Payable	189,320	**96,697**
Repayment of Long-Term Loans Payable	(120,062)	**(110,783)**
Increase in Short-Term Loans Payable	104,942	**100,944**
Decrease in Short-Term Loans Payable	(95,582)	**(102,994)**
Proceeds from Issuance of Commercial Papers	—	**2,999**
Redemption of Commercial Papers	—	**(3,000)**
Proceeds from Issuance of Common Shares	59,359	**—**
Proceeds from Sales of Treasury Shares	59,740	**—**
Cash Dividends Paid	(10,505)	**(12,811)**
Other, Net	2,148	**1,315**
Net Cash Provided by (Used in) Financing Activities	143,920	**(88,632)**
Effect of Exchange Rate Change on Cash and Cash Equivalents	2,446	**(2,446)**
Net Increase (Decrease) in Cash and Cash Equivalents	151,216	**(76,490)**
Cash and Cash Equivalents at Beginning of Period	85,223	**236,439**
Cash and Cash Equivalents at End of Period	236,439	**159,949**

*Changes to certain accounting methods applied in the year ending March 31, 2017 are not reflected in the results presented for the fiscal year ended March 31, 2016.

Financial Results

Operating Income

Sales (operating revenues) for the year ended March 31, 2016 (fiscal 2015), increased 3.9% from the previous fiscal year to ¥780.0 billion. This was due in part to the full operation of the Nong Saeng IPP gas-fired thermal power project in Thailand, which came online in 2014 (Unit No. 1 and Unit No. 2 in June and December 2014, respectively), throughout the fiscal year, as well as the commencement of operations of the U-Thai IPP gas-fired thermal power project, also in Thailand (Unit No. 1 and Unit No. 2 in June and December 2015, respectively).

Turning to expenses, due mainly to a rise in fuel costs accompanying the full-year operation of Nong Saeng IPP and the start of operations at U-Thai IPP, operating expenses increased 2.2% from the previous fiscal year to ¥692.6 billion.

As a result, operating income increased 19.9% from the previous fiscal year to ¥87.3 billion. The operating income margin increased 1.5 points to 11.2%.

Ordinary Income

In fiscal 2015, non-operating income decreased 21.3% from the previous fiscal year to ¥17.8 billion, due in part to a decrease in equity income of affiliates.

Non-operating expenses for the year increased 30.3% to ¥47.2 billion due to such factors as a rise in foreign exchange losses.

Consequently, ordinary income amounted to ¥58.0 billion, a 2.2% decrease from the previous fiscal year. The ordinary income margin decreased 0.5 of a percentage point to 7.4%.

Ordinary income by reporting segment for the fiscal year under review is as follows.

Electric Power Business

In the wholesale electric power business, electricity sales volume from hydroelectric power plants for the fiscal year under review showed a 14.3% increase to 10.3 TWh, mainly because the water supply rate increased from 98% in the previous fiscal year to 111%. In thermal power, due partly to an increase in the load factor from 76% to 80%, electricity sales volume grew 4.6% from the previous fiscal year to 55.0 TWh. Total electricity sales volume from both hydroelectric and thermal power plants in the wholesale electric power business increased 6.0% from the previous fiscal year to 65.3 TWh.

Electricity sales volume in the other electric power business decreased 18.7% from the previous fiscal year to 1.9 TWh, due mainly to the exclusion of Ichihara Power Co., Ltd., which was a consolidated subsidiary in the previous fiscal year, from the scope of consolidation (all shares were sold in March 2015). However, electricity sales volume in the electric power business as a whole increased 5.1% from the previous fiscal year to 67.3 TWh.

Sales (electric utility operating revenue) decreased 2.9% from the previous fiscal year to ¥572.4 billion. This was mainly due to decreased revenue from the other electric power business as a result of the exclusion of Ichihara Power Co., Ltd. from the scope of consolidation, despite the increased sales of the wholesale electric power business reflecting the year-on-year increase in the water supply rate of hydroelectric power plants.

Segment income decreased 4.9% from the previous fiscal year to ¥31.7 billion due mainly to the decrease in sales.

Electric Power-Related Business

In fiscal 2015, sales (other business operating revenue) increased 2.3% from the previous fiscal year to ¥359.1 billion due mainly to an increase in revenues from orders received from consolidated subsidiaries for equipment replacement.

Segment income increased 61.2% from the previous fiscal year to ¥14.4 billion due mainly to the increase in sales.

Overseas Business

Electricity sales volume in the overseas business increased 60.1% from the previous fiscal year to 13.8 TWh, and sales (overseas business operating revenue) increased 43.2% from the previous fiscal year to ¥155.9 billion due mainly to the operation of Nong Saeng IPP throughout the term and the commencement of commercial operations of U-Thai IPP.

Segment income decreased 28.2% from the previous fiscal year to ¥11.4 billion due mainly to foreign exchange losses, despite the increase in sales.

Other Business

In fiscal 2015, sales (other business operating revenue) decreased 7.6% from the previous fiscal year to ¥23.0 billion.

Segment income increased 32.6% from the previous fiscal year to ¥0.8 billion due mainly to a decrease in cost of sales.

Profit before Income Taxes

Profit before income taxes decreased 6.0% compared with the previous fiscal year to ¥57.9 billion due to such factors as the decrease in extraordinary income.

Profit attributable to owners of parent

In fiscal 2015, total income taxes increased 2.0% year on year to ¥17.7 billion. Consequently, profit attributable to owners of parent decreased 8.1% from the previous fiscal year to ¥39.7 billion.

Earnings per Share

Earnings per share were ¥216.99 in fiscal 2015, compared with ¥284.43 in the previous fiscal year.

Dividend Policy

The most-distinctive characteristic of J-POWER's business is that the Company uses its expertise with respect to the construction of power plants and other facilities and the operation of those facilities over the long term to make investments in power plants and other kinds of infrastructure and then seeks to obtain returns on its investments through the long-term operation of those assets.

J-POWER's top priority with respect to shareholder returns is to maintain stable dividend levels in line with the characteristics of its business. Through long-term initiatives, the Company will also work to enhance returns to shareholders in step with efforts to raise corporate value and achieve further growth in a sustainable manner.

Based on this fundamental policy, the basic policy with regard to the payment of dividends from the Company's retained earnings is for these to be paid twice a year, as an interim and fiscal year-end dividend. The decision-making body for the interim dividend payment is the Board of Directors, and that of the fiscal year-end dividend payment the Shareholders' Meeting.

For fiscal 2015, the Company distributed a fiscal year-end dividend of ¥35 per share. Together with the interim dividend of ¥35 per share, total dividends applicable to fiscal 2015 amounted to ¥70 per share.

As a result, the payout ratio for fiscal 2015 came to 42.1%, while the ratio of dividends to shareholder's equity was 2.5%.

Financial Position

Assets

As of March 31, 2016, total assets amounted to ¥2,546.2 billion, down ¥112.8 billion from the previous fiscal year-end. This was due mainly to a decrease in current assets.

Liabilities

As of March 31, 2016, total liabilities amounted to ¥1,865.2 billion, a decrease of ¥97.5 billion from the previous fiscal year-end. Of this amount, interest-bearing debt decreased ¥94.8 billion from the previous fiscal year-end to ¥1,628.7 billion. Non-recourse loans in overseas business accounted for ¥321.7 billion of interest-bearing debt. The debt-equity ratio was 2.4 times, down from 2.5 times at the previous fiscal year-end, due to the decrease in interest-bearing debt.

Net Assets

As of March 31, 2016, total net assets had decreased ¥15.3 billion from the end of the previous fiscal year to ¥680.9 billion, due mainly to decreases in foreign currency translation adjustment and remeasurements of defined benefit plans, despite an increase due to the posting of profit attributable to owners of parent. The shareholders' equity ratio increased from 25.9% at the end of the previous fiscal year to 26.4%.

Capital Expenditures

Capital expenditures in fiscal 2015 amounted to ¥126.3 billion, a decrease of ¥20.5 billion from the previous fiscal year. Of that amount, capital expenditures in the electric power business increased ¥52.1 billion from the previous fiscal year to ¥119.2 billion, and capital expenditures relating to overseas business decreased ¥63.6 billion to ¥11.4 billion.

Fund Procurement

Most of J-POWER's financing requirements are related to capital expenditures and debt refinancing, and the Company has a basic policy of procuring long-term funds.

When procuring long-term funds, the Company issues straight bonds and borrows long-term loans from financial institutions as means of maintaining low interest rates and a stable fund procurement platform. The outstanding balances of straight bonds and borrowings as of March 31, 2016, were ¥665.0 billion and ¥934.7 billion, respectively. In addition, the Company obtains short-term funding as a means of procuring operating funds as well as of enhancing the responsiveness and flexibility of procurement operations. To meet short-term funding needs, the Company is currently able to issue up to a total of ¥100.0 billion in commercial paper.

Cash Flows

Cash Flows from Operating Activities

Cash inflow from operating activities was roughly level with the previous fiscal year at ¥146.1 billion.

Cash Flows from Investing Activities

Cash outflow from investing activities decreased ¥11.3 billion from the previous fiscal year to ¥131.5 billion due mainly to a decrease in investment in projects in Thailand, even as investment in the Takehara Thermal Power Plant New Unit No.1 replacement project increased.

As a result, free cash flow was a positive ¥14.5 billion.

Cash Flows from Financing Activities

Cash outflow from financing activities came to ¥88.6 billion, compared with an inflow of ¥143.9 billion in the previous fiscal year. This was mainly because, while the previous fiscal year brought increased inflow from the issuance of new shares, capital procurement by means of corporate bonds and loans payable decreased.

As a result of these activities, cash and cash equivalents as of March 31, 2016, decreased ¥76.4 billion from the end of the previous fiscal year to ¥159.9 billion.

Risk Factors

This section discusses the main potential risks related to J-POWER's financial position, business results, current and future business operations, and other matters. 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.

Impact of Reforms to the Electric Power Business Regulations on J-POWER's Wholesale Electricity Rates and Business

The Policy on Electricity System Reform was approved by the Cabinet in April 2013, bringing about drastic changes to the business environment surrounding J-POWER. Amendments to the Electricity Business Act prompted the establishment of the Organization for Cross-Regional Coordination of Transmission Operators in April 2015. Participation in the retail of electric power was fully liberalized in April 2016, while at the same time regulations on wholesale electricity utilities (regulations of business permits and rates) were repealed. Further, the legal unbundling of the transmission and distribution divisions of the former EPCOs and J-POWER will be required, with an approximate deadline of 2020. After the legal unbundling of transmission and distribution divisions, there are plans to review the regulations on electricity retail rates (transitional measures) for the former EPCOs.

With the revision of electric power business types in the system reforms, as of April 2016, 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. Cost-basis rate regulations have been 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 remain regulated, with a cost-basis rate system, to maintain a healthy transmission and distribution network system.

The majority of J-POWER's operating revenue comprises rate income from domestic sales to the former EPCOs. As market competition in the power generation business advances, to ensure that the value of our power generation business receives adequate assessment, we are therefore proceeding with appropriate rate consultations with customers, primarily the former EPCOs, while proceeding to diversify customers and trade using the Japan Electric Power Exchange (JEPX).

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

Global Warming

J-POWER owns many coal-fired thermal power plants, which emit a relatively higher level of CO_2 with respect to power output compared to power plants using other fossil fuels, such as LNG. The Company is working to increase the efficiency and reduce the carbon emissions of its coal-fired thermal power. Also, we are working to expand our use of CO_2-free power sources, such as renewable energy, and developing nuclear power plants. Furthermore, based on the electricity business's Action Plan for Achieving a Low-Carbon Society established by electricity utilities including J-POWER in July 2015, we will do our utmost to achieve the targets set for the overall electric power industry.

However, going forward, if new legal regulations or other rules related to global warming countermeasures were to be introduced, causing major changes to business plans or operations, it could potentially have an adverse effect on our performance.

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 the overseas power generation business, we are applying the experience gleaned through our consulting services businesses in various countries in the pursuit of 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-fueled thermal and other renewable energies.

However, these businesses may not generate the level of profits that we anticipate, due to unforeseeable circumstances, including major changes in operating conditions; changes in demand or the market environment; and changes in regulations. Changes in our business plans or the suspension of operations or construction prompted by such circumstances could result in related expenses or a need for additional funding that could potentially have an adverse effect on the results of our operations. Furthermore, some of these businesses are operated as joint ventures with third parties. In cases where the joint venture format is revised due to changes in the business environment or J-POWER is a minority equity owner and thus unable to engage in management and administration, the results of the joint venture may not beneficially impact our performance. In addition, overseas businesses entail foreign exchange risk as well as country risk due to political instability and other factors.

Capital Funds

The Company has invested a very large amount in power plants and other facilities. The funds for these investments have been procured mainly through borrowings and the issuance of bonds payable. We anticipate the need to raise funds in the future to invest in new domestic and overseas projects, such as Ohma Nuclear Power Plant and Takehara Thermal Power Plant New No. 1, and to repay existing obligations. If we are unable to raise required funds on acceptable terms and in a timely manner due to the prevailing conditions in the financial markets, the Company's credit situation, or other factors at that time, then this could potentially have material adverse effects on our business development and profitability.

Ohma Nuclear Power Plant Construction Project

With regard to the 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, which has primary responsibility, but also under the auspices of the government and EPCOs. Accordingly, under the government's guidelines, 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 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, the 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, with it, 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. Construction was suspended immediately after the Great East Japan Earthquake struck in March 2011 but was resumed in October 2012.

On December 16, 2014, we submitted an application for permission for alteration of a reactor installment license and an application for construction plan approval to the Nuclear Regulation Authority (NRA) in order to undergo a review of compliance with the New Safety Standards concerning nuclear power plants enforced by the NRA 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. Moving forward, J-POWER will seriously and appropriately respond to the NRA's conformity reviews and steadily implement necessary safety measures or other measures required in a full-scale effort to build a safe power 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 November 2016 and complete it in December 2021. However, the construction work schedule for the additional safety measures may be extended depending on changes surrounding the nuclear power business, the status of reviews by the NRA, and additional response to the New Safety Standards. Also, in such events, construction expenses may increase further, and other related costs may arise. In addition, nuclear power generation involves various risks, such as revisions of plans due to significant changes in conditions around the nuclear power business caused by review of Japan's nuclear policy, the advance of market competition, or other unexpected circumstances, as well as those associated with the storage and handling of radioactive materials, and risks other electric power plants are exposed to, such as natural disasters and unforeseen accidents after operations have commenced. 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.

Fuel for Coal-Fired Thermal Power

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, South Africa, 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 our 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 the 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 the results of our operations. Furthermore, should a significant fall in coal prices have a significant effect on the performance of the mine in which the Company holds an interest, the Company's performance could also be adversely affected.

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 plant, 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.

Legal Regulations

J-POWER's mainstay electric power business is subject to the Electricity Business Act.

In line with the Amended Electricity Business Act of June 2014, regulations related to wholesale electricity utilities (regulations 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 the cancellation of licenses to operate transmission businesses. 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. The Company's business operations are also subject to various other laws and regulations. If the Company is unable to comply with these laws and regulations, or if these laws and regulations are revised, this could potentially have an adverse effect on 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 the 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 the Ohma Nuclear Power Plant project, which is currently underway, J-POWER will pay contributions once the Ohma Nuclear Power Plant commences operation of the nuclear reactor, as 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.

Management of Business 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.

Financial and Operating Highlights

*Changes to certain accounting methods applied in the year ending March 31, 2017 are not reflected in the figures presented for the fiscal year ended March 31, 2016.

	2007/3	2008/3	2009/3
Consolidated: Operating Revenue/Expenses Comparison			
Operating Revenue	**573,277**	**587,780**	**704,936**
Electric Utility Operating Revenue	523,782	531,764	648,362
Hydroelectric (Wholesale Electric Power Business)	123,490	114,557	110,945
Thermal (Wholesale Electric Power Business)	326,543	342,734	460,336
Other Electric Power Businesses	16,868	17,702	20,055
Overseas Business Operating Revenue*1	—	—	—
Other Business Operating Revenue*2	49,494	56,016	56,574
Operating Expenses	**496,136**	**537,056**	**647,828**
Operating Income	**77,141**	**50,724**	**57,108**
Non-Operating Income	**13,011**	**21,543**	**13,282**
Share of Profit of Entities Accounted for Using Equity Method	5,560	8,879	7,470
Other	7,451	12,664	5,812
Non-Operating Expenses	**34,639**	**29,394**	**30,791**
Interest Expenses	22,585	22,749	22,616
Foreign Exchange Losses	—	—	—
Other	12,054	6,644	8,174
Ordinary Income	**55,513**	**42,873**	**39,599**
Extraordinary Income	—	—	12,170
Extraordinary Loss	—	—	19,648
Profit Attributable to Owners of Parent	**35,167**	**29,311**	**19,457**
Average Exchange Rates (Yen/US$)	116.97	114.49	100.75
Foreign Exchange Rate at December 31 (Yen/THB)	3.41	3.83	2.60
Foreign Exchange Rate at December 31 (THB/US$)	36.05	33.72	34.90
Consolidated: Electricity Sales Volume			
Electric Power Business	**60,329**	**62,469**	**59,148**
Hydroelectric (Wholesale Electric Power Business)	10,633	8,287	8,384
Thermal (Wholesale Electric Power Business)	48,039	52,499	49,147
Other Electric Power Businesses	1,657	1,682	1,616
Overseas Business*3	**—**	**—**	**—**
Domestic Hydroelectric: Water Supply Rate	112%	85%	88%
Domestic Thermal: Load Factor	75%	81%	76%

*1 Revenues of the overseas business segment (including revenues of overseas consolidated subsidiaries, overseas consulting businesses, etc.)
*2 "Other Businesses Operating Revenue" is composed of revenues of "Electric Power-Related Business" and "Other Business."
*3 Electric power sales volume of overseas consolidated subsidiaries (Electric power sales volume of equity method affiliates is not included.)

2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	**2016/3**
						(Millions of yen)
584,484	**635,975**	**654,600**	**656,056**	**706,835**	**750,627**	**780,072**
530,289	584,436	609,775	605,338	609,080	588,184	**570,837**
108,994	108,152	108,479	106,681	104,765	105,705	109,034
349,693	406,488	424,436	413,938	411,850	389,192	380,382
14,754	13,723	22,371	30,707	37,875	41,707	30,265
1,576	1,881	2,005	1,647	42,834	108,916	155,952
52,617	49,657	42,819	49,070	54,920	53,526	53,282
535,544	**565,387**	**604,800**	**601,490**	**647,663**	**677,767**	**692,695**
48,939	**70,588**	**49,800**	**54,566**	**59,171**	**72,859**	**87,376**
18,734	**14,965**	**15,356**	**17,577**	**22,357**	**22,714**	**17,871**
11,722	9,072	9,565	11,728	16,380	15,659	10,889
7,011	5,893	5,790	5,849	5,976	7,054	6,981
25,979	**29,231**	**28,536**	**27,318**	**41,451**	**36,223**	**47,214**
23,085	22,371	22,005	22,362	25,305	28,224	30,460
—	—	—	991	11,190	1,547	12,888
2,894	6,860	6,530	3,964	4,955	6,451	3,865
41,694	**56,322**	**36,619**	**44,825**	**40,077**	**59,350**	**58,033**
—	1,635	—	—	2,386	2,127	—
—	19,176	3,382	—	—	—	—
29,149	**19,583**	**16,113**	**29,808**	**28,694**	**43,206**	**39,719**
92.89	85.74	79.08	82.91	100.17	109.76	120.15
2.76	2.70	2.45	2.82	3.20	3.67	3.34
33.32	30.15	31.69	30.63	32.81	32.96	36.09
						(MW)
57,238	**65,815**	**66,084**	**65,605**	**65,421**	**64,049**	**65,332**
9,214	10,267	10,318	9,032	8,759	9,028	10,322
46,546	54,086	53,756	54,333	54,316	52,577	55,010
1,477	1,462	2,010	2,239	2,345	2,442	1,985
—	**—**	**—**	**—**	**3,665**	**8,678**	**13,896**
96%	106%	115%	102%	99%	98%	111%
68%	78%	77%	78%	79%	76%	80%

*Changes to certain accounting methods applied in the year ending March 31, 2017 are not reflected in the figures presented for the fiscal year ended March 31, 2016.

	2007/3	2008/3	2009/3
Consolidated: Balance Sheet Items			
Noncurrent Assets	1,861,818	1,864,374	1,843,143
Electric Utility Plant and Equipment	1,351,994	1,265,497	1,235,044
Overseas Business Facilities	—	—	—
Other Noncurrent Assets	33,682	40,270	46,634
Construction in Progress	248,710	327,429	321,889
Nuclear Fuel	—	10,310	27,650
Investments and Other Assets	227,430	220,866	211,923
Current Assets	137,976	148,756	162,325
Total Assets	**1,999,794**	**2,013,131**	**2,005,469**
Interest-Bearing Debt	1,421,542	1,423,878	1,470,748
Other	115,597	121,134	152,607
Total Liabilities	**1,537,140**	**1,545,012**	**1,623,356**
Shareholders' Equity	444,956	464,266	408,036
Accumulated Other Comprehensive Income	16,230	2,116	(27,908)
Non-Controlling Interests	1,468	1,735	1,984
Total Net Assets	**462,654**	**468,118**	**382,112**
Consolidated: Cash Flow Items			
Net Cash Provided by (Used in) Operating Activities	**157,241**	**136,252**	**158,628**
Profit before Income Taxes	54,757	43,469	32,536
(Reference) Depreciation and Amortization on a Non-Consolidated Basis	117,973	109,739	109,741
Net Cash Provided by (Used in) Investing Activities	**(155,407)**	**(152,518)**	**(132,350)**
Capital Expenditure for Subsidiaries	(9,066)	(16,561)	(15,628)
(Reference) CAPEX on a Non-Consolidated Basis	(86,898)	(122,874)	(150,228)
Free Cash Flow	**1,834**	**(16,265)**	**26,278**
Consolidated: Financial Indicators			
Return on Assets (ROA)	2.8%	2.1%	2.0%
ROA (after exclusion of the construction in progress of tangible fixed assets)	3.2%	2.5%	2.4%
Return on Equity (ROE)	7.9%	6.3%	4.6%
Net Income per Share (EPS) (Yen)	211.14	175.99	121.65
Net Assets per Share (BPS) (Yen)	2,768.95	2,800.18	2,533.28
Equity Ratio	23.1%	23.2%	19.0%
Debt-Equity Ratio	3.1	3.1	3.9
Number of Common Shares Issued at the End of the Period (Thousands) (excluding treasury stock)	166,556	166,554	150,054

(Millions of yen)

2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	**2016/3**
1,879,804	1,842,658	1,849,786	1,975,202	2,149,579	2,275,453	2,237,836
1,226,640	1,178,492	1,111,251	1,058,849	1,023,751	986,552	952,230
—	—	—	14,311	125,018	264,800	375,448
49,619	64,920	65,657	104,529	109,787	115,111	101,827
309,740	301,676	380,425	464,674	512,604	506,967	444,814
38,688	46,693	54,157	59,769	69,216	71,467	73,447
255,115	250,875	238,295	273,067	309,201	330,555	308,067
144,276	169,727	166,607	194,707	235,636	383,695	308,436
2,024,080	**2,012,386**	**2,016,394**	**2,169,909**	**2,385,216**	**2,659,149**	**2,546,272**
1,452,515	1,429,037	1,435,736	1,523,059	1,649,993	1,723,659	1,628,783
156,583	168,450	174,465	192,964	215,745	239,191	236,506
1,609,099	**1,597,487**	**1,610,202**	**1,716,024**	**1,865,739**	**1,962,851**	**1,865,289**
426,680	435,760	441,369	460,673	478,860	629,463	656,367
(14,003)	(19,997)	(33,985)	(6,768)	37,350	59,268	15,775
2,304	(863)	(1,191)	(19)	3,265	7,566	8,839
414,981	**414,898**	**406,192**	**453,885**	**519,477**	**696,298**	**680,982**
169,148	**151,236**	**125,891**	**119,786**	**122,110**	**147,813**	**146,164**
42,105	38,739	33,237	45,176	42,770	61,598	57,917
115,585	106,080	100,423	89,485	81,500	77,824	74,014
(129,504)	**(124,675)**	**(136,852)**	**(170,369)**	**(177,375)**	**(142,964)**	**(131,575)**
(13,502)	(30,200)	(64,235)	(100,277)	(95,747)	(87,971)	(37,530)
(97,908)	(73,796)	(68,493)	(66,262)	(86,554)	(61,119)	(106,386)
39,643	**26,560**	**(10,960)**	**(50,582)**	**(55,264)**	**4,848**	**14,588**
2.1%	2.8%	1.8%	2.1%	1.8%	2.4%	2.2%
2.5%	3.3%	2.2%	2.7%	2.2%	2.9%	2.7%
7.4%	4.7%	3.9%	6.9%	5.9%	7.2%	5.8%
194.26	130.51	107.39	198.65	191.23	284.43	216.99
2,750.20	2,770.77	2,714.94	3,024.98	3,440.23	3,762.52	3,671.91
20.4%	20.7%	20.2%	20.9%	21.6%	25.9%	26.4%
3.5	3.4	3.5	3.4	3.2	2.5	2.4
150,053	150,053	150,053	150,052	150,051	183,050	183,049

*Changes to certain accounting methods applied in the year ending March 31, 2017 are not reflected in the figures presented for the fiscal year ended March 31, 2016.

Non-Consolidated: Operating Revenues/Expenses

	2007/3	2008/3	2009/3
Operating Revenues	**517,273**	**529,250**	**645,850**
Electric Utility Operating Revenues	510,248	517,318	631,452
Hydroelectric	123,490	114,557	110,945
Thermal	326,543	342,734	460,336
Transmission Revenue	60,214	60,025	60,170
Incidental Business Operating Revenue	7,024	11,932	14,398
Operating Expenses	**456,433**	**489,363**	**601,122**
Electric Utility Operating Expenses	450,203	478,579	588,224
Personnel Expense	27,180	37,689	43,571
Amortization of the Actuarial Difference*	(3,865)	6,355	10,787
Fuel Cost	144,053	185,357	255,156
Repair Expense	46,477	32,757	55,419
Depreciation and Amortization Cost	117,973	109,739	109,741
Other	114,518	113,034	124,334
Incidental Business Operating Expenses	6,229	10,783	12,897
Operating Income	**60,840**	**39,887**	**44,728**

(Amortization of the Actuarial Difference)				
Actuarial Difference	The Remainders in the Previous Year	(4,154)	(1,785)	2,936
	Actuarial Difference in the Present Year	(1,495)	11,077	12,835
	Actuarial Difference in the Previous Year	—	—	—
	Subtotal	(5,650)	9,291	15,771
Amortization*		(3,865)	6,355	10,787
The Remainders in the Present Year		(1,785)	2,936	4,983

[Repair Expenses]			
Hydroelectric	8,659	6,893	14,752
Thermal	34,534	22,436	36,195
Transmission/Transformation	1,547	1,875	2,518
Others	1,736	1,553	2,133
Total	46,477	32,757	55,419

[Depreciation]			
Hydroelectric	26,122	25,425	24,921
Thermal	67,899	61,069	61,970
Transmission/Transformation	20,202	19,021	18,470
Others	3,748	4,222	4,379
Total	117,973	109,739	109,741

* Until the year ended March 31, 2009, actuarial differences were amortized from the year in which they occurred. Since the year ended March 31, 2010, actuarial differences are amortized from the year following the year in which they occurred.

(Millions of yen)

2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3
530,436	**583,213**	**599,973**	**586,993**	**582,861**	**557,943**	**552,341**
518,682	573,878	590,553	577,284	572,937	548,580	543,019
108,994	108,152	108,479	106,681	104,765	105,705	109,034
349,693	406,488	424,436	413,938	411,935	389,607	381,201
59,993	59,237	57,638	56,664	56,236	53,267	52,783
11,753	9,335	9,419	9,708	9,923	9,363	9,322
489,531	**520,569**	**557,628**	**543,659**	**542,396**	**513,387**	**511,309**
479,085	513,395	549,010	534,765	533,444	504,946	502,864
36,187	31,276	34,441	34,084	29,810	28,566	31,811
3,408	(2,213)	1,752	505	(3,099)	(4,372)	(2,308)
173,957	209,967	238,497	238,441	250,259	228,482	218,481
45,390	50,635	54,286	56,454	58,521	61,005	58,325
115,585	106,080	100,423	89,485	81,500	77,824	74,014
107,965	115,435	121,362	116,299	113,352	109,067	120,231
10,446	7,174	8,617	8,894	8,952	8,441	8,444
40,904	**62,644**	**42,344**	**43,333**	**40,464**	**44,555**	**41,032**
4,983	1,574	(1,022)	809	233	(1,431)	(2,019)
—	—	—	—	—	—	—
—	(4,811)	3,584	(70)	(4,746)	(4,960)	(1,354)
4,983	(3,236)	2,561	738	(4,530)	(6,392)	(3,374)
3,408	(2,213)	1,752	505	(3,099)	(4,372)	(2,308)
1,574	(1,022)	809	233	(1,431)	(2,019)	(1,066)
8,009	8,112	13,039	11,340	11,776	13,391	12,160
33,242	38,765	35,733	40,438	41,942	42,382	40,588
2,327	2,259	3,761	3,161	3,205	3,671	3,495
1,811	1,496	1,753	1,513	1,596	1,558	1,683
45,390	50,635	54,286	56,454	58,521	61,005	58,325
24,054	23,553	23,418	21,852	21,318	20,947	20,683
69,307	61,318	56,707	48,411	40,879	37,982	33,696
17,752	16,849	16,053	15,302	15,074	14,395	13,900
4,470	4,359	4,242	3,919	4,226	4,500	5,553
115,585	106,080	100,423	89,485	81,500	77,824	74,014

10-Year Consolidated Financial Data

*Changes to certain accounting methods applied in the year ending March 31, 2017 are not reflected in the figures presented for the fiscal year ended March 31, 2016.

Consolidated Balance Sheets

	2007/3	2008/3	2009/3
Assets			
Noncurrent Assets	**1,861,818**	**1,864,374**	**1,843,143**
Electric Utility Plant and Equipment	**1,351,994**	**1,265,497**	**1,235,044**
Hydroelectric Power Production Facilities	469,750	450,635	441,694
Thermal Power Production Facilities	555,959	504,468	463,682
Internal Combustion Engine Power Production Facilities	15,471	14,141	12,906
Renewable Power Production Facilities	—	—	—
Transmission Facilities	242,675	229,312	217,723
Transformation Facilities	36,581	34,310	36,615
Communication Facilities	9,626	9,289	9,591
General Facilities	21,928	23,339	52,830
Overseas Business Facilities	**—**	**—**	**—**
Other Noncurrent Assets	**33,682**	**40,270**	**46,634**
Construction in Progress	**248,710**	**327,429**	**321,889**
Construction and Retirement in Progress	248,710	327,429	321,889
Nuclear Fuel	**—**	**10,310**	**27,650**
Nuclear Fuel in Processing	—	10,310	27,650
Investments and Other Assets	**227,430**	**220,866**	**211,923**
Long-Term Investments	180,325	165,015	150,332
Net Defined Benefit Asset	—	—	—
Deferred Tax Assets	43,094	51,777	58,711
Other	4,223	4,222	3,414
Allowance for Doubtful Accounts	(213)	(149)	(534)
Current Assets	**137,976**	**148,756**	**162,325**
Cash and Deposits	35,029	33,961	27,628
Notes and Accounts Receivable–Trade	47,204	44,650	50,014
Short-Term Investments	376	2,983	2,592
Inventories	20,783	25,329	43,110
Deferred Tax Assets	5,421	5,655	6,264
Other	29,214	36,253	32,718
Allowance for Doubtful Accounts	(53)	(77)	(2)
Total Assets	**1,999,794**	**2,013,131**	**2,005,469**

Note: In accordance with revisions in Electric Utility Accounting Regulations, wind power and geothermal power production facilities are recorded as "Renewable Power Production Facilities" from the fiscal year ended March 31, 2010.

Until the year ended March 31, 2012, "Overseas Business Facilities" was included in "Other Noncurrent Assets," but it has been presented separately from the year ended March 31, 2014 due to the increase in monetary importance due to progress in the Thai projects. For year-on-year comparison purposes, it is also presented separately in the year ended March 31, 2013.

(Millions of yen)

2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	**2016/3**
1,879,804	**1,842,658**	**1,849,786**	**1,975,202**	**2,149,579**	**275,453**	**2,237,836**
1,226,640	**1,178,492**	**1,111,251**	**1,058,849**	**1,023,751**	**986,552**	**952,230**
403,329	389,892	374,510	363,437	355,616	348,911	344,014
482,045	454,823	423,049	387,957	362,307	334,252	316,532
11,764	4,694	4,296	3,956	5,414	5,105	3,754
24,334	38,436	34,479	31,358	36,698	40,877	35,960
207,948	197,163	186,274	185,754	176,102	168,680	161,784
35,089	34,456	31,774	30,608	30,482	30,206	29,960
9,339	9,539	9,065	8,638	8,596	8,469	8,449
52,789	49,486	47,801	47,137	48,532	50,049	51,772
—	**—**	**—**	**14,311**	**125,018**	**264,800**	**357,448**
49,619	**64,920**	**65,657**	**104,529**	**109,787**	**115,111**	**101,827**
309,740	**301,676**	**380,425**	**464,674**	**512,604**	**506,967**	**444,814**
309,740	301,676	380,425	464,674	512,604	506,967	444,814
38,688	**46,693**	**54,157**	**59,769**	**69,216**	**71,467**	**73,447**
38,688	46,693	54,157	59,769	69,216	71,467	73,447
255,115	**250,875**	**238,295**	**273,067**	**309,201**	**330,555**	**308,067**
195,414	181,934	181,132	202,464	244,181	269,891	234,506
—	—	—	—	—	278	—
57,207	56,843	52,571	47,234	40,734	38,705	41,655
2,964	13,292	5,653	24,416	24,331	21,725	31,950
(471)	(1,196)	(1,062)	(1,047)	(45)	(45)	(45)
144,276	**169,727**	**166,607**	**194,707**	**235,636**	**383,695**	**308,436**
38,749	37,202	35,112	49,283	50,333	69,151	87,659
47,003	57,781	59,283	61,644	70,135	71,288	66,312
2,253	2,346	1,331	402	35,000	167,433	72,410
25,717	32,400	34,972	38,160	34,053	37,781	41,199
5,560	5,998	6,688	7,423	8,637	5,736	5,268
24,995	34,006	29,284	37,847	37,477	32,337	35,601
(2)	(9)	(63)	(54)	(0)	(32)	(14)
2,024,080	**2,012,386**	**2,016,394**	**2,169,909**	**2,385,216**	**2,659,149**	**2,546,272**

*Changes to certain accounting methods applied in the year ending March 31, 2017 are not reflected in the figures presented for the fiscal year ended March 31, 2016.

	2007/3	2008/3	2009/3
Liabilities			
Noncurrent Liabilities	**1,193,139**	**1,276,354**	**1,304,830**
Bonds Payable	573,229	602,903	717,867
Long-Term Loans Payable	576,615	624,495	513,239
Lease Obligations	—	—	520
Provision for Retirement Benefits	32,611	39,083	51,931
Other Provision	474	553	1,098
Net Defined Benefit Liability	—	—	—
Asset Retirement Obligations	—	—	—
Deferred Tax Liabilities	1,260	1,462	2,352
Other	8,948	7,856	17,820
Current Liabilities	**341,844**	**267,097**	**317,379**
Current Portion of Noncurrent Liabilities	173,638	101,565	120,700
Short-Term Loans Payable	2,115	6,126	9,098
Commercial Paper	95,944	88,949	109,971
Notes and Accounts Payable–Trade	13,248	14,790	10,144
Accrued Taxes	8,752	11,407	16,317
Other Provision	528	555	713
Asset Retirement Obligations	—	—	—
Deferred Tax Liabilities	21	2	9
Other	47,595	43,700	50,423
Reserves under Special Laws	**2,155**	**1,560**	**1,146**
Reserve for Fluctuation in Water Levels	2,155	1,560	1,146
Total Liabilities	**1,537,140**	**1,545,012**	**1,623,356**
Net Assets			
Shareholders' Equity	**444,956**	**464,266**	**408,036**
Capital Stock	152,449	152,449	152,449
Capital Surplus	81,849	81,849	81,849
Retained Earnings	210,713	230,032	236,998
Treasury Shares	(56)	(64)	(63,260)
Accumulated Other Comprehensive Income	**16,230**	**2,116**	**(27,908)**
Valuation Difference on Available-for-Sale Securities	14,271	1,934	(404)
Deferred Gains or Losses on Hedges	(4,131)	(6,759)	(6,285)
Foreign Currency Translation Adjustment	6,090	6,941	(21,217)
Remeasurements of Defined Benefit Plans	—	—	—
Non-Controlling Interests	**1,468**	**1,735**	**1,984**
Total Net Assets	**462,654**	**468,118**	**382,112**
Total Liabilities and Net Assets	**1,999,794**	**2,013,131**	**2,005,469**

(Millions of yen)

2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3
1,346,526	**1,319,146**	**1,324,663**	**1,402,287**	**1,522,905**	**1,633,825**	**1,561,072**
689,883	734,898	714,914	694,930	691,346	666,061	575,079
580,925	500,913	522,407	608,977	741,509	857,846	867,276
811	1,093	983	982	981	697	479
57,855	57,069	58,015	59,012	—	—	—
1,111	16	25	36	43	84	89
—	—	—	—	49,071	48,901	65,912
—	3,620	4,585	3,971	6,644	7,510	11,685
3,459	5,869	6,390	7,801	14,730	20,394	18,294
12,479	15,666	17,339	26,574	18,579	32,327	22,254
261,837	**277,563**	**284,761**	**313,311**	**342,714**	**329,025**	**304,100**
142,923	162,958	166,342	196,999	207,968	169,754	158,131
13,327	17,528	18,443	18,475	20,318	30,044	28,009
24,998	11,999	12,999	3,999	—	—	—
14,804	20,112	20,011	25,049	33,197	44,035	37,033
7,952	21,322	11,408	10,811	8,791	13,516	23,344
855	317	325	273	302	270	265
—	473	626	1,495	245	372	635
5	11	4	3	9	5	22
56,970	42,839	54,599	56,202	71,880	71,027	56,656
734	**777**	**777**	**425**	**119**	**—**	**116**
734	777	777	425	119	—	116
1,609,099	**1,597,487**	**1,610,202**	**1,716,024**	**1,865,739**	**1,962,851**	**1,865,289**
426,680	**435,760**	**441,369**	**460,673**	**478,860**	**629,463**	**656,367**
152,449	152,449	152,449	152,449	152,449	180,502	180,502
81,849	81,849	81,849	81,849	81,849	109,902	109,902
255,643	264,724	270,334	289,639	307,829	339,061	365,967
(63,262)	(63,263)	(63,264)	(63,265)	(63,268)	(2)	(4)
(14,003)	**(19,997)**	**(33,985)**	**(6,768)**	**37,350**	**59,268**	**15,775**
2,960	(137)	(772)	4,855	9,030	19,860	12,516
(3,747)	611	(4,209)	(6,929)	1,772	(15,821)	(14,395)
(13,217)	(20,471)	(29,003)	(4,693)	22,955	53,205	30,464
—	—	—	—	3,592	2,023	(12,809)
2,304	**(863)**	**(1,191)**	**(19)**	**3,265**	**7,566**	**8,839**
414,981	**414,898**	**406,192**	**453,885**	**519,477**	**696,298**	**680,982**
2,024,080	**2,012,386**	**2,016,394**	**2,169,909**	**2,385,216**	**2,659,149**	**2,546,272**

*Changes to certain accounting methods applied in the year ending March 31, 2017 are not reflected in the figures presented for the fiscal year ended March 31, 2016.

Consolidated Statements of Income

	2007/3	2008/3	2009/3
Operating Revenues	**573,277**	**587,780**	**704,936**
Electric Utility Operating Revenue	523,782	531,764	648,362
Overseas Business Operating Revenue	—	—	—
Other Business Operating Revenue	49,494	56,016	56,574
Operating Expenses	**496,136**	**537,056**	**647,828**
Electric Utility Operating Expenses	444,463	477,869	588,808
Overseas Business Operating Expenses	—	—	—
Other Business Operating Expenses	51,673	59,186	59,019
Operating Income	**77,141**	**50,724**	**57,108**
Non-Operating Income	**13,011**	**21,543**	**13,282**
Dividends Income	1,384	1,567	1,706
Interest Income	899	1,213	960
Gain on Sales of Securities	—	3,911	—
Share of Profit of Entities Accounted for Using Equity Method	5,560	8,879	7,470
Other	5,167	5,972	3,145
Non-Operating Expenses	**34,639**	**29,394**	**30,791**
Interest Expenses	22,585	22,749	22,616
Foreign Exchange Losses	—	—	—
Other	12,054	6,644	8,174
Total Ordinary Revenue	**586,289**	**609,324**	**718,219**
Total Ordinary Expenses	**530,775**	**566,450**	**678,619**
Ordinary Income	**55,513**	**42,873**	**39,599**
Provision or Reversal of Reserve for Fluctuation in Water Levels	**756**	**(595)**	**(413)**
Provision of Reserve for Fluctuation in Water Levels	756	—	—
Reversal of Reserve for Fluctuation in Water Levels	—	(595)	(413)
Extraordinary Income	**—**	**—**	**12,170**
Extraordinary Loss	**—**	**—**	**19,648**
Profit before Income Taxes	**54,757**	**43,469**	**32,536**
Income Taxes–Current	**18,461**	**15,962**	**17,928**
Income Taxes–Deferred	**1,431**	**(1,829)**	**(4,945)**
Total Income Taxes	**19,893**	**14,132**	**12,982**
Profit	**—**	**—**	**—**
Profit Attributable to Non-Controlling Interests	**(302)**	**24**	**95**
Profit Attributable to Owners of Parent	**35,167**	**29,311**	**19,457**

Note: Until the year ended March 31, 2012, “Overseas Business Operating Revenue” was included in “Other Business Operating Revenue,” but it has been presented separately from the year ended March 31, 2014 due to the increase in monetary importance due to progress in the Thai projects. For year-on-year comparison purposes, it is also presented separately in the year ended March 31, 2013.

Until the year ended March 31, 2012, “Overseas Business Operating Expenses” was included in “Electric Utility Operating Expenses” and “Other Business Operating Expenses,” but it has been presented separately from the year ended March 31, 2014 due to the increase in monetary importance due to progress in the Thai projects. For year-on-year comparison purposes, it is also presented separately in the year ended March 31, 2013.

Under each item, there are cases of fiscal years in which the monetary importance has been minor being included and represented under another item.

(Millions of yen)

2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3
584,484	**635,975**	**654,600**	**656,056**	**706,835**	**750,627**	**780,072**
530,289	584,436	609,775	605,338	609,080	588,184	570,837
—	—	—	1,647	42,834	108,916	155,952
54,194	51,539	44,825	49,070	54,920	53,526	53,282
535,544	**565,387**	**604,800**	**601,490**	**647,663**	**677,767**	**692,695**
478,644	509,116	553,873	540,134	545,430	521,351	506,772
—	—	—	8,346	43,899	98,979	131,605
56,899	56,271	50,927	53,009	58,333	57,436	54,317
48,939	**70,588**	**49,800**	**54,566**	**59,171**	**72,859**	**87,376**
18,734	**14,965**	**15,356**	**17,577**	**22,357**	**22,714**	**17,871**
1,406	1,499	1,315	1,321	1,454	1,869	2,409
581	1,220	968	1,195	1,054	1,155	905
—	—	—	—	—	—	—
11,722	9,072	9,565	11,728	16,380	15,659	10,889
5,024	3,172	3,506	3,331	3,468	4,030	3,667
25,979	**29,231**	**28,536**	**27,318**	**41,451**	**36,223**	**47,214**
23,085	22,371	22,005	22,362	25,305	28,224	30,460
—	—	—	991	11,190	1,574	12,888
2,894	6,860	6,530	3,964	4,955	6,451	3,865
603,218	**650,941**	**669,957**	**673,634**	**729,192**	**773,341**	**797,944**
561,524	**594,619**	**633,337**	**628,808**	**689,115**	**713,991**	**739,910**
41,694	**56,322**	**36,619**	**44,825**	**40,077**	**59,350**	**58,033**
(411)	**42**	**—**	**(351)**	**(306)**	**(119)**	**116**
—	42	—	—	—	—	116
(411)	—	—	(351)	(306)	(119)	—
—	**1,635**	**—**	**—**	**2,386**	**2,127**	**—**
—	**19,176**	**3,382**	**—**	**—**	**—**	**—**
42,105	**38,739**	**33,237**	**45,176**	**42,770**	**61,598**	**57,917**
11,270	**20,403**	**12,953**	**11,940**	**8,372**	**7,468**	**12,821**
1,883	**2,459**	**4,370**	**3,622**	**6,579**	**9,917**	**4,916**
13,153	**22,863**	**17,324**	**15,562**	**14,952**	**17,386**	**17,738**
—	**15,876**	**15,913**	**29,613**	**27,817**	**44,212**	**40,178**
(197)	**(3,707)**	**(200)**	**(194)**	**(876)**	**1,005**	**459**
29,149	**19,583**	**16,113**	**29,808**	**28,694**	**43,206**	**39,719**

*Changes to certain accounting methods applied in the year ending March 31, 2017 are not reflected in the figures presented for the fiscal year ended March 31, 2016.

Consolidated Statements of Cash Flows

	2007/3	2008/3	2009/3
Cash Flows from Operating Activities			
Profit before Income Taxes	54,757	43,469	32,536
Depreciation and Amortization	123,083	115,021	114,669
Impairment Loss	347	267	439
Loss on Liquidation of Business	—	—	—
Loss on Retirement of Noncurrent Assets	2,710	2,611	4,182
Disaster Recovery Expenses	—	—	—
Increase (Decrease) in Provision for Retirement Benefits	(4,076)	6,471	12,848
Increase (Decrease) in Net Defined Benefit Liability	—	—	—
Increase (Decrease) in Reserve for Fluctuation in Water Levels	756	(595)	(413)
Interest and Dividends Income	(2,284)	(2,780)	(2,666)
Interest Expenses	22,585	22,749	22,616
Decrease (Increase) in Notes and Accounts Receivable–Trade	11,383	2,120	(6,040)
Decrease (Increase) in Inventories	(2,205)	(4,375)	(17,637)
Increase (Decrease) in Notes and Accounts Payable–Trade	2,295	4,027	(1,109)
Loss (Gain) on Sales of Securities	—	(3,911)	2
Loss (Gain) on Valuation of Securities	—	—	19,648
Share of (Profit) Loss of Entities Accounted for Using Equity Method	(5,560)	(8,879)	(7,470)
Loss (Gain) on Sales of Shares of Subsidiaries	—	—	—
Loss (Gain) on Sale of Noncurrent Assets	(379)	(1,004)	38
Distribution by Dissolution of Anonymous Association	—	—	(12,170)
Other, Net	2,250	(6,398)	24,235
Subtotal	205,665	168,792	183,709
Interest and Dividends Income Received	2,661	3,370	15,368
Interest Expenses Paid	(21,934)	(22,453)	(22,079)
Income Taxes Paid	(29,151)	(13,458)	(18,369)
Net Cash Provided by (Used in) Operating Activities	**157,241**	**136,252**	**158,628**
Cash Flows from Investing Activities			
Proceeds from Contribution Received for Construction	8,383	7,509	8,619
Purchase of Noncurrent Assets	(95,889)	(134,723)	(173,119)
Proceeds from Sales of Noncurrent Assets	1,520	1,552	58,657
Payments of Investments and Loans Receivable	(70,345)	(35,965)	(27,643)
Collections of Investments and Receivable	3,484	6,650	7,901
Purchase of Investments in Subsidiaries Resulting in Change in Scope of Consolidation	—	(1,280)	(2,611)
Proceeds from Purchase of Investments in Subsidiaries, Net of Cash Acquired	24	—	—
Proceeds from Sales of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	—	8,064	—
Other, Net	(2,585)	(4,325)	(4,154)
Net Cash Provided by (Used in) Investing Activities	**(155,407)**	**(152,518)**	**(132,350)**
Cash Flows from Financing Activities			
Proceeds from Issuance of Bonds	89,636	89,675	114,570
Redemption of Bonds	(59,067)	(38,384)	(60,300)
Proceeds from Long-Term Loans Payable	62,811	114,864	9,803
Repayment of Long-Term Loans Payable	(47,749)	(135,532)	(41,287)
Increase in Short-Term Loans Payable	22,084	18,551	193,040
Decrease in Short-Term Loans Payable	(44,436)	(14,549)	(190,023)
Proceeds from Issuance of Commercial Papers	416,666	586,322	639,380
Redemption of Commercial Papers	(432,000)	(594,000)	(619,000)
Proceeds from Issuance of Common Shares	—	—	—
Proceeds from Stock Issuance to Minority Shareholders	—	266	—
Purchase of Treasury Stock	—	(7)	(63,195)
Proceeds from Sales of Treasury Shares	—	—	—
Cash Dividends Paid	(9,989)	(9,989)	(12,499)
Cash Dividends Paid to Minority Shareholders	(84)	(42)	(20)
Other, Net	(39)	(7)	(83)
Net Cash Provided by (Used in) Financing Activities	**(2,168)**	**17,174**	**(29,615)**
Effect of Exchange Rate Change on Cash and Cash Equivalents	**331**	**147**	**(2,764)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(3)**	**1,056**	**(6,101)**
Cash and Cash Equivalents at Beginning of Period	**28,874**	**34,575**	**35,631**
Increase (Decrease) in Cash from the Addition of Consolidated Subsidiaries	**5,704**	**—**	**—**
Cash and Cash Equivalents at the End of Period	**34,575**	**35,631**	**29,530**

Note: Under each item, there are cases of fiscal years in which the monetary importance has been minor being included and represented under another item.

(Millions of yen)

2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	**2016/3**
42,105	38,739	33,237	45,176	42,770	61,598	57,917
120,313	111,644	105,271	95,254	91,408	93,309	95,121
384	9,266	946	—	14	2,489	1,392
—	4,550	—	—	—	—	—
2,516	2,941	2,434	2,418	2,241	2,359	3,656
—	—	3,382	—	—	—	—
5,923	(779)	971	987	—	—	—
—	—	—	—	(4,800)	(4,611)	(3,351)
(411)	42	—	(351)	(306)	(119)	116
(1,987)	(2,720)	(2,284)	(2,517)	(2,508)	(3,024)	(3,314)
23,085	22,371	22,005	22,362	25,305	28,224	30,460
6,311	(10,753)	(1,607)	(2,133)	(7,753)	23	2,445
17,645	(6,132)	(2,488)	(3,133)	4,223	(3,593)	(3,259)
7,034	3,171	3,148	5,642	9,244	6,639	(3,085)
(231)	(1,450)	(484)	(620)	(280)	(252)	(145)
—	5,359	1,791	242	—	—	—
(11,722)	(9,072)	(9,565)	(11,728)	(16,380)	(15,659)	(10,889)
—	—	—	—	—	(2,127)	—
(590)	432	747	526	—	—	—
—	—	—	—	—	—	—
(10,205)	8,355	8,526	(8,742)	2,123	6,841	3,280
200,170	175,965	166,031	143,385	145,302	172,097	170,342
5,845	7,644	6,869	7,926	12,626	10,735	13,573
(22,987)	(22,881)	(21,765)	(21,974)	(25,131)	(28,211)	(30,519)
(13,880)	(9,492)	(25,244)	(9,552)	(10,687)	(6,807)	(7,232)
169,148	**151,236**	**125,891**	**119,786**	**122,110**	**147,813**	**146,164**
9,962	7,068	3,102	6,343	—	—	—
(114,967)	(115,827)	(133,711)	(165,201)	(176,982)	(148,404)	(140,874)
1,860	2,453	2,285	—	—	—	—
(23,456)	(14,184)	(6,068)	(1,347)	(1,149)	(4,429)	(2,537)
3,896	5,235	4,915	7,938	6,460	4,053	15,960
(495)	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	1,425	—	—	1,665	—
(6,305)	(9,419)	(8,802)	(18,101)	(5,704)	4,150	(4,123)
(129,504)	**(124,675)**	**(136,852)**	**(170,369)**	**(177,375)**	**(142,964)**	**(131,575)**
59,792	79,726	—	39,877	79,740	39,858	—
—	(88,000)	(35,000)	(20,000)	(63,599)	(85,298)	(60,999)
122,794	49,036	176,745	207,887	241,625	189,320	96,697
(121,555)	(53,988)	(127,173)	(146,048)	(158,518)	(120,062)	(110,783)
42,500	84,880	103,760	108,500	97,221	104,942	100,944
(38,294)	(80,680)	(103,070)	(110,038)	(95,374)	(95,582)	(102,994)
475,905	392,965	359,968	326,969	83,996	—	2,999
(561,000)	(406,000)	(359,000)	(336,000)	(88,000)	—	(3,000)
—	—	—	—	—	59,359	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	59,740	—
(10,503)	(10,503)	(10,502)	(10,501)	(10,504)	(10,505)	(12,811)
(2)	(8)	(196)	—	—	—	—
11	3,398	3,764	856	1,709	2,148	1,315
(30,351)	**(29,172)**	**9,296**	**61,502**	**88,295**	**143,920**	**(88,632)**
1,506	**285**	**(585)**	**2,615**	**3,297**	**2,446**	**(2,446)**
10,798	**(2,326)**	**(2,248)**	**13,535**	**36,328**	**151,216**	**(76,490)**
29,530	**40,329**	**38,002**	**35,359**	**48,894**	**85,223**	**236,439**
—	**—**	**(394)**	**—**	**—**	**—**	**—**
40,329	**38,002**	**35,359**	**48,894**	**85,223**	**236,439**	**159,949**

*Changes to certain accounting methods applied in the year ending March 31, 2017 are not reflected in the figures presented for the fiscal year ended March 31, 2016.

Segment Information

	2007/3	2008/3	2009/3
Sales to External Customers			
Electric Power Business	**523,782**	**531,764**	**648,362**
Electric Power-Related Business	**26,996**	**24,185**	**23,488**
Overseas Business	**—**	**—**	**—**
Other Businesses	**22,497**	**31,831**	**33,085**
Consolidated	573,277	587,780	704,936
Operating Income			
Electric Power Business	**61,436**	**39,897**	**44,610**
Electric Power-Related Business	**15,604**	**10,403**	**11,569**
Other Business	**1,156**	**900**	**360**
Adjustments	(1,056)	(478)	567
Consolidated	77,141	50,724	57,108
Ordinary Income			
Electric Power Business	**—**	**—**	**—**
Electric Power-Related Business	**—**	**—**	**—**
Overseas Business	**—**	**—**	**—**
Other Business	**—**	**—**	**—**
Adjustments	—	—	—
Consolidated	—	—	—
Depreciation and Amortization			
Electric Power Business	**121,853**	**113,468**	**113,112**
Electric Power-Related Business	**3,387**	**3,573**	**3,406**
Overseas Business	**—**	**—**	**—**
Other Business	**963**	**1,061**	**1,174**
Adjustments	(3,121)	(3,082)	(3,023)
Consolidated	123,083	115,021	114,669
Increase in the Tangible and Intangible Noncurrent Assets			
Electric Power Business	**90,378**	**113,566**	**154,096**
Electric Power-Related Business	**5,470**	**7,125**	**13,170**
Overseas Business	**—**	**—**	**—**
Other Business	**542**	**5,457**	**4,897**
Adjustments	(5,687)	(4,093)	(36)
Consolidated	90,704	122,056	172,128

Note: From the year ended March 31, 2007, the segment that had been called “Other Business” was divided into “Electric Power-Related Business” and “Other Business.”

From the year ended March 31, 2011, overseas business that had been included under “Other Business” was made into a separate segment. For year-on-year comparison purposes, it is also presented separately in the year ended March 31, 2010.

From the year ended March 31, 2011, segment income is stated in terms of ordinary income rather than operating income as before. For year-on-year comparison purposes, ordinary income is also stated in the year ended March 31, 2010.

(Millions of yen)

2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3
530,289	**584,436**	**609,775**	**605,338**	**609,080**	**588,184**	**570,837**
24,095	**26,294**	**23,133**	**26,599**	**29,944**	**30,467**	**31,973**
1,576	**1,881**	**2,005**	**1,647**	**42,834**	**108,916**	**155,952**
28,522	**23,363**	**19,686**	**22,471**	**24,975**	**23,059**	**21,309**
584,484	635,975	654,600	656,056	706,835	750,627	780,072
38,294	**—**	**—**	**—**	**—**	**—**	**—**
11,207	**—**	**—**	**—**	**—**	**—**	**—**
(301)	**—**	**—**	**—**	**—**	**—**	**—**
(260)	—	—	—	—	—	—
48,939	—	—	—	—	—	—
22,320	**41,832**	**22,290**	**31,088**	**29,088**	**33,386**	**31,734**
11,521	**10,425**	**8,373**	**9,099**	**9,626**	**8,970**	**14,462**
6,511	**5,047**	**3,499**	**3,907**	**52**	**15,990**	**11,483**
1,614	**(1,517)**	**(3)**	**986**	**956**	**611**	**810**
(273)	533	2,460	(256)	353	392	(456)
41,694	56,322	36,619	44,825	40,077	59,350	58,033
119,241	**110,179**	**104,344**	**93,163**	**85,173**	**81,924**	**78,167**
2,839	**3,362**	**3,514**	**4,498**	**5,308**	**5,776**	**6,252**
48	**115**	**55**	**84**	**3,299**	**7,820**	**12,833**
1,349	**1,231**	**521**	**492**	**512**	**468**	**422**
(3,166)	(3,244)	(3,164)	(2,984)	(2,884)	(2,680)	(2,553)
120,313	111,644	105,271	95,254	91,408	93,309	95,121
106,737	**70,742**	**68,286**	**69,390**	**94,307**	**67,038**	**119,210**
2,507	**5,236**	**7,119**	**46,713**	**4,889**	**7,071**	**2,820**
5,727	**18,091**	**62,548**	**60,175**	**95,815**	**75,158**	**11,472**
344	**643**	**340**	**494**	**546**	**317**	**301**
(3,084)	(1,584)	(570)	(1,667)	(532)	(2,692)	(7,450)
112,233	93,128	137,725	175,106	195,026	146,894	126,354

10-Year Non-Consolidated Financial Data

*Changes to certain accounting methods applied in the year ending March 31, 2017 are not reflected in the figures presented for the fiscal year ended March 31, 2016.

Non-Consolidated Balance Sheets

	2007/3	2008/3	2009/3
Assets			
Noncurrent Assets	**1,802,277**	**1,819,393**	**1,796,175**
Electric Utility Plant and Equipment	**1,338,430**	**1,254,172**	**1,220,808**
Hydroelectric Power Production Facilities	458,977	441,129	428,270
Thermal Power Production Facilities	562,071	510,443	469,618
Renewable Power Production Facilities	—	—	—
Transmission Facilities	246,578	233,026	221,274
Transformation Facilities	37,819	35,559	37,929
Communication Facilities	10,423	10,125	10,384
General Facilities	22,559	23,887	53,331
Incidental Business Facilities	**1,825**	**2,504**	**2,321**
Non-Operating Facilities	**626**	**607**	**461**
Construction in Progress	**251,250**	**326,336**	**313,664**
Construction in Progress	251,193	326,175	313,542
Retirement in Progress	56	161	121
Nuclear Fuel	**—**	**10,310**	**27,650**
Nuclear Fuel in Processing	—	10,310	27,650
Investments and Other Assets	**210,144**	**225,462**	**231,268**
Long-Term Investments	77,343	72,069	46,787
Long-Term Investments for Subsidiaries and Affiliates	106,808	117,195	143,118
Long-Term Prepaid Expenses	2,678	3,256	2,164
Deferred Tax Assets	23,759	33,515	40,084
Allowance for Doubtful Accounts	(446)	(574)	(886)
Current Assets	**91,400**	**90,896**	**114,416**
Cash and Deposits	5,008	4,051	4,973
Accounts Receivable–Trade	41,661	39,036	44,178
Other Accounts Receivable	5,424	7,198	5,186
Short-Term Investments	—	—	22
Supplies	18,439	21,800	38,414
Advance payments	—	—	—
Prepaid Expenses	1,125	1,355	1,002
Short-Term Receivables from Subsidiaries and Affiliates	6,521	5,793	4,880
Deferred Tax Assets	3,232	3,482	4,150
Other Current Assets	10,005	8,198	11,622
Allowance for Doubtful Accounts	(17)	(20)	(14)
Total Assets	**1,893,678**	**1,910,290**	**1,910,592**

Note: In accordance with revisions in Electric Utility Accounting Regulations, from the year ended March 31, 2010, geothermal power production facilities are recorded as "Renewable Power Production Facilities."

(Millions of yen)

2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	**2016/3**
1,808,678	**1,768,302**	**1,728,454**	**1,749,201**	**1,780,429**	**1,795,979**	**1,825,753**
1,215,919	**1,159,857**	**1,095,654**	**1,045,889**	**1,003,628**	**965,328**	**935,773**
413,221	399,744	384,125	372,980	365,343	359,001	354,506
489,556	462,070	429,797	394,071	367,935	341,313	323,216
2,084	1,765	1,526	1,533	1,541	2,523	1,061
211,312	200,373	189,304	188,695	178,925	171,471	164,513
36,360	35,721	32,944	31,762	31,645	31,424	31,208
10,121	10,274	9,767	9,308	9,257	9,095	9,039
53,261	49,907	48,187	47,537	48,979	50,497	52,227
2,070	**2,297**	**2,186**	**1,980**	**2,213**	**2,088**	**1,944**
248	**335**	**260**	**798**	**857**	**406**	**331**
287,204	**295,682**	**315,318**	**331,810**	**367,748**	**384,957**	**442,465**
286,540	295,449	314,737	331,120	367,563	384,859	442,327
664	233	580	690	185	98	138
38,688	**46,693**	**54,157**	**59,769**	**69,216**	**71,467**	**73,447**
38,688	46,693	54,157	59,769	69,216	71,467	73,447
264,546	**263,435**	**260,877**	**308,954**	**336,763**	**371,731**	**371,790**
72,083	62,572	60,522	67,029	70,612	83,250	61,773
152,399	164,876	169,582	212,363	236,195	252,708	265,759
1,824	2,480	1,548	3,760	9,597	16,718	25,553
39,079	38,992	35,411	31,004	24,041	19,203	18,703
(840)	(5,485)	(6,188)	(5,204)	(3,682)	(149)	—
93,826	**116,528**	**115,806**	**121,090**	**146,302**	**262,629**	**165,044**
5,151	4,362	4,295	4,440	3,934	4,380	3,969
39,848	49,264	50,745	48,758	46,228	32,145	26,789
4,870	4,845	507	3,618	782	649	4,636
—	—	—	—	35,000	167,398	72,399
19,087	28,529	31,565	33,083	28,210	30,048	31,758
—	—	—	—	—	—	71
1,219	1,672	2,388	2,405	2,370	2,385	2,140
9,516	11,637	6,876	7,808	11,079	6,197	5,293
2,993	3,732	4,599	4,917	5,289	3,885	3,217
11,138	12,604	14,895	16,166	13,405	15,539	14,767
—	(121)	(65)	(108)	—	—	—
1,902,504	**1,884,830**	**1,844,261**	**1,870,291**	**1,926,731**	**2,058,609**	**1,990,798**

*Changes to certain accounting methods applied in the year ending March 31, 2017 are not reflected in the figures presented for the fiscal year ended March 31, 2016.

	2007/3	2008/3	2009/3
Liabilities			
Noncurrent Liabilities	**1,136,290**	**1,241,004**	**1,256,467**
Bonds Payable	573,229	602,903	717,867
Long-Term Loans Payable	533,539	599,350	481,577
Long-Term Accrued Liabilities	4	3	2
Lease Obligations	—	—	133
Long-Term Debt to Subsidiaries and Associates	17	2,767	3,073
Provision for Retirement Benefits	21,543	28,585	41,439
Assets Retirement Obligations	—	—	—
Other Noncurrent Liabilities	7,955	7,395	12,373
Current Liabilities	**343,441**	**262,882**	**316,383**
Current Portion of Noncurrent Liabilities	170,884	98,995	117,815
Short-Term Loans Payable	2,000	6,000	9,000
Commercial Papers	95,944	88,949	109,971
Accounts Payable–Trade	3,713	3,649	1,220
Accounts Payable–Other	12,219	4,771	8,040
Accrued Expenses	10,643	9,598	11,349
Accrued Taxes	4,404	8,920	13,539
Deposits Received	389	279	261
Short-Term Debt to Subsidiaries and Associates	41,041	39,932	42,331
Other Advances	334	444	938
Other Current Liabilities	1,865	1,341	1,916
Reserves under the Special Laws	**2,155**	**1,560**	**1,146**
Reserve for Fluctuation in Water Levels	2,155	1,560	1,146
Total Liabilities	**1,481,888**	**1,505,447**	**1,573,998**
Net Assets			
Shareholders' Equity	**398,912**	**403,672**	**338,012**
Capital Stock	**152,449**	**152,449**	**152,449**
Capital Surplus	**81,852**	**81,852**	**81,852**
Legal Capital Surplus	81,852	81,852	81,852
Retained Earnings	**164,667**	**169,436**	**166,971**
Legal Retained Earnings	6,029	6,029	6,029
Other Retained Earnings	158,638	163,406	160,941
Reserve for Special Disaster	38	47	50
Exchange-Fluctuation Preparation Reserve	1,960	1,960	1,960
General Reserve	117,861	132,861	137,861
Retained Earnings Brought Forward	38,778	28,538	21,070
Treasury Stock	**(56)**	**(64)**	**(63,260)**
Valuation and Translation Adjustments	**12,877**	**1,169**	**(1,417)**
Valuation Difference on Available-for-Sale Securities	12,761	1,068	(1,214)
Deferred Gains or Losses on Hedges	116	101	(203)
Total Net Assets	**411,789**	**404,842**	**336,594**
Total Liabilities and Net Assets	**1,893,678**	**1,910,290**	**1,910,592**

(Millions of yen)

2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3
1,302,695	**1,257,747**	**1,211,719**	**1,206,654**	**1,226,516**	**1,245,889**	**1,184,707**
689,883	734,898	714,914	694,930	691,346	666,061	575,079
550,955	461,256	429,373	438,228	479,549	524,557	562,520
1	0	—	—	269	271	269
218	314	392	374	342	249	188
4,887	5,709	5,192	4,999	4,932	6,346	1,425
46,351	45,259	46,053	47,155	42,089	41,945	38,548
—	158	175	189	202	214	1,604
10,396	10,149	15,617	20,777	7,784	6,242	5,070
252,974	**277,226**	**285,725**	**304,261**	**325,406**	**300,443**	**282,557**
136,703	159,747	163,166	192,821	201,395	157,661	145,540
12,750	17,350	18,350	18,350	18,350	18,350	16,250
24,998	11,999	12,999	3,999	—	—	—
4,452	5,055	2,194	2,375	1,839	3,341	1,731
9,892	2,970	3,094	2,843	8,362	11,996	7,587
10,407	9,760	10,191	10,276	9,519	10,801	10,016
3,790	18,821	8,877	7,201	4,919	7,972	9,319
278	282	454	474	308	315	323
47,298	47,634	60,697	59,093	74,979	84,544	87,863
583	1,034	666	741	694	602	786
1,818	2,569	5,032	6,081	5,037	4,857	3,137
734	**777**	**777**	**425**	**119**	**—**	**116**
734	777	777	425	119	—	116
1,556,404	**1,535,751**	**1,498,222**	**1,511,341**	**1,552,042**	**1,546,332**	**1,467,381**
343,879	**348,159**	**346,824**	**354,914**	**366,524**	**494,713**	**512,356**
152,449	**152,449**	**152,449**	**152,449**	**152,449**	**180,502**	**180,502**
81,852	**81,852**	**81,852**	**81,852**	**81,852**	**109,904**	**109,904**
81,852	81,852	81,852	81,852	81,852	109,904	109,904
172,839	**177,121**	**175,787**	**183,878**	**195,491**	**204,309**	**221,954**
6,029	6,029	6,029	6,029	6,029	6,029	6,029
166,810	171,092	169,758	177,848	189,462	198,280	215,925
53	57	70	77	82	65	66
1,960	1,960	1,960	1,960	1,960	1,960	1,960
137,861	142,861	147,861	147,861	152,861	152,861	162,861
26,935	26,213	19,866	27,950	34,558	43,393	51,037
(63,262)	**(63,263)**	**(63,264)**	**(63,265)**	**(63,268)**	**(2)**	**(4)**
2,220	**919**	**(785)**	**4,035**	**8,164**	**17,562**	**11,059**
2,634	(479)	(1,158)	4,281	8,154	18,663	11,178
(414)	1,399	373	(245)	9	(1,101)	(118)
346,099	**349,079**	**346,039**	**358,950**	**374,689**	**512,276**	**523,416**
1,902,504	**1,884,830**	**1,844,261**	**1,870,291**	**1,926,731**	**2,058,609**	**1,990,798**

*Changes to certain accounting methods applied in the year ending March 31, 2017 are not reflected in the figures presented for the fiscal year ended March 31, 2016.

Non-Consolidated Statements of Income

	2007/3	2008/3	2009/3
Operating Revenue	**517,273**	**529,250**	**645,850**
Electric Utility Operating Revenue	**510,248**	**517,318**	**631,452**
Sold Power to Other Suppliers	450,034	457,292	571,282
Transmission Revenue	55,184	54,934	55,414
Other Electricity Revenue	5,029	5,090	4,755
Incidental Business Operating Revenue	**7,024**	**11,932**	**14,398**
Operating Expenses	**456,433**	**489,363**	**601,122**
Electric Utility Operating Expenses	**450,203**	**478,579**	**588,224**
Hydroelectric Power Production Expenses	63,728	61,114	68,281
Thermal Power Production Expenses	290,013	312,292	402,159
Renewable Power Production Expenses	—	—	—
Purchased Power from Other Suppliers	433	1,214	80
Transmission Expenses	30,502	28,680	28,475
Transformation Expenses	6,595	6,621	7,020
Selling Expenses	1,237	1,546	1,307
Communicating Expenses	6,191	6,000	6,242
General and Administrative Expenses	44,837	54,353	66,407
Enterprise Tax	6,662	6,756	8,250
Incidental Business Operating Expenses	**6,229**	**10,783**	**12,897**
Operating Income	**60,840**	**39,887**	**44,728**
Non-Operating Income	**8,386**	**9,844**	**6,617**
Financial Revenue	**4,521**	**5,332**	**4,933**
Dividends Income	3,586	4,275	3,775
Interest Income	935	1,057	1,158
Non-Operating Revenue	**3,865**	**4,512**	**1,683**
Gain on Sales of Noncurrent Assets	370	1,067	5
Miscellaneous Revenue	3,494	3,444	1,678
Non-Operating Expenses	**31,686**	**27,648**	**28,950**
Financial Expenses	**21,565**	**21,937**	**22,294**
Interest Expenses	21,276	21,648	21,915
Share Issuance Cost	—	—	—
Bond Issue Cost	288	288	379
Non-Operating Expenses	**10,121**	**5,710**	**6,655**
Loss on Sales of Noncurrent Assets	4	2	32
Miscellaneous Loss	10,117	5,708	6,622
Total Ordinary Revenue	**525,659**	**539,095**	**652,468**
Total Ordinary Expenses	**488,119**	**517,011**	**630,072**
Ordinary Income	**37,540**	**22,083**	**22,395**
Provision or Reversal of Reserve for Fluctuation in Water Levels	**756**	**(595)**	**(413)**
Provision of Reserve for Fluctuation in Water Levels	756	—	—
Reversal of Reserve for Fluctuation in Water Levels	—	(595)	(413)
Extraordinary Income	**—**	**—**	**14,472**
Extraordinary Loss	**—**	**—**	**19,647**
Profit before Income Taxes	**36,783**	**22,678**	**17,635**
Income Taxes–Current	11,865	11,338	13,389
Income Taxes–Deferred	1,020	(3,421)	(5,781)
Total Income Taxes	12,886	7,917	7,608
Profit	**23,897**	**14,761**	**10,026**

Note: In accordance with revisions in Electric Utility Accounting Regulations, from the year ended March 31, 2010, geothermal power production facilities-related costs have been recorded as “Renewable Power Production Expenses.”

(Millions of yen)

2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3
530,436	**583,213**	**599,973**	**586,993**	**582,861**	**557,943**	**552,341**
518,682	**573,878**	**590,553**	**577,284**	**572,937**	**548,580**	**543,019**
458,688	514,640	532,915	520,620	516,701	495,313	490,235
54,402	54,343	53,059	52,632	52,182	49,281	48,991
5,591	4,894	4,579	4,031	4,054	3,985	3,792
11,753	**9,335**	**9,419**	**9,708**	**9,923**	**9,363**	**9,322**
489,531	**520,569**	**557,628**	**543,659**	**542,396**	**513,387**	**511,309**
479,085	**513,395**	**549,010**	**534,765**	**533,444**	**504,946**	**502,864**
60,904	60,005	66,325	60,762	60,633	62,171	62,759
319,569	358,156	381,201	377,701	383,857	359,690	344,528
802	976	2,274	2,036	926	367	1,944
15	1,388	3,428	256	520	10	14
27,523	26,943	29,031	26,586	27,054	26,459	25,869
6,785	6,453	5,968	6,623	6,218	6,317	6,347
1,225	1,223	1,482	2,570	3,197	1,244	1,362
6,275	6,480	6,360	5,815	4,714	4,853	4,671
49,349	44,466	45,429	45,040	39,018	36,828	48,135
6,634	7,300	7,508	7,371	7,301	7,001	6,993
10,446	**7,174**	**8,617**	**8,894**	**8,952**	**8,441**	**8,444**
40,904	**62,644**	**42,344**	**43,333**	**40,464**	**44,555**	**41,032**
6,463	**6,348**	**9,089**	**8,304**	**14,773**	**8,599**	**18,319**
3,547	**4,649**	**6,726**	**6,063**	**11,700**	**6,626**	**17,079**
2,346	3,403	5,401	4,395	10,275	5,250	15,825
1,200	1,246	1,325	1,668	1,425	1,375	1,253
2,916	**1,699**	**2,362**	**2,241**	**3,072**	**1,973**	**1,240**
600	82	76	109	89	3	10
2,316	1,616	2,286	2,131	2,983	1,969	1,230
23,576	**25,800**	**25,756**	**22,799**	**24,177**	**24,217**	**19,681**
22,175	**21,627**	**20,525**	**20,707**	**20,348**	**19,531**	**17,840**
21,967	21,353	20,525	20,585	20,088	19,115	17,840
—	—	—	—	—	274	—
207	273	—	122	259	141	—
1,400	**4,173**	**5,230**	**2,091**	**3,829**	**4,685**	**1,840**
—	625	643	630	631	55	4
1,400	3,547	4,587	1,461	3,197	4,629	1,835
536,899	**589,561**	**609,062**	**595,298**	**597,635**	**566,543**	**570,661**
513,107	**546,370**	**583,384**	**566,459**	**566,574**	**537,605**	**530,990**
23,791	**43,191**	**25,677**	**28,839**	**31,060**	**28,938**	**39,670**
(411)	**42**	**—**	**(351)**	**(306)**	**(119)**	**116**
—	42	—	—	—	—	116
(411)	—	—	(351)	(306)	(119)	—
—	**1,635**	**—**	**—**	**—**	**2,280**	**—**
—	**13,757**	**3,434**	**—**	**—**	**—**	**—**
24,203	**31,027**	**22,243**	**29,190**	**31,367**	**31,337**	**39,553**
6,660	16,395	10,148	7,999	4,375	3,444	6,267
1,170	(153)	2,924	2,596	4,874	5,450	2,827
7,831	16,242	13,073	10,595	9,250	8,895	9,095
16,372	**14,785**	**9,169**	**18,594**	**22,117**	**22,442**	**30,458**

Major Group Companies

(As of March 31, 2016)

Consolidated Subsidiaries

Company Name	Main Businesses	Equity Stake (%)
Electric Power Business		
Bay Side Energy Co., Ltd.	Thermal power business	100.0
Mihama Seaside Power Co., Ltd.	Thermal power business	100.0
ITOIGAWA POWER Inc.	Thermal power business	80.0
J-Wind Co., Ltd.	Wind power business	100.0
Japan Clean Energy Development Co., Ltd.	Wind power business	100.0
Yurihonjo Wind Power Co., Ltd.	Wind power business	100.0
Minami Kyushu Wind Power Co., Ltd.	Wind power business	98.8
J-Wind OOMA Co., Ltd.	Wind power business	100.0
J-Wind NIKAHO Co., Ltd.	Wind power business	100.0
J-Wind KUZUMAKI Co., Ltd.	Wind power business	100.0
J-Wind SETANA Co., Ltd.	Wind power business	90.0
Nagasaki-Shikamachi Wind Power Co., Ltd.	Wind power business	70.0
Nikaho-Kogen Wind Power Co., Ltd.	Wind power business	67.0
Electric Power-Related Business		
JPec Co., Ltd.	Construction, technical development, design, consulting, maintenance, and research for thermal and nuclear power plants; unloading and transporting of coal at thermal power plants; sale of fly ash; shipping of coal for thermal power plants; research and planning of environmental conservation	100.0
JPHYTECH Co., Ltd.	Construction, technical development, design, consulting, maintenance, and research for hydroelectric power plants, substations, and transmission lines; surveying of and compensation for construction sites; civil engineering, construction management, and construction services	100.0
JP Business Service Corporation	Operation of welfare facilities; facility maintenance; business process out-sourcing; development of computer software	100.0
KEC Corporation	Construction and maintenance of electronic and communications facilities	100.0
JP Design Co., Ltd.	Design, management, and research for electric power facilities and other facilities and construction consulting	100.0
J-POWER RESOURCES Co., Ltd.	Import, sales, and transportation of coal	100.0
J-POWER AUSTRALIA PTY. LTD.	Investments in coal mines in Australia	100.0
JPOWER GENEX CAPITAL Co., Ltd.	Management of IPP projects	100.0
J-Wind Service Co., Ltd.	Maintenance and operation of wind power plants	100.0
J-POWER EnTech Co., Inc.	Engineering services for atmospheric and water pollutant removal equipment	100.0
Miyazaki Wood Pellet Co., Ltd.	Operation of manufacturing facilities of wood pellets and procurement of forest offcut	98.3
JM Activated Coke, Inc.	Manufacturing, sales, and marketing of activated coke	90.0
EPDC CoalTech and Marine Co., Ltd.	Marine transportation of ash and fly ash	100.0 (100.0)
and 11 companies		
Overseas Business		
J-Power Investment Netherlands B.V.	Management of investments	100.0
J-POWER Holdings (Thailand) Co., Ltd.	Management of investments	100.0 (100.0)
J-POWER Generation (Thailand) Co., Ltd.	Management of investments, research and development of projects	100.0 (100.0)
Gulf JP Co., Ltd.	Management of investments	90.0 (90.0)
Gulf JP NS Co., Ltd.	Thermal power business	90.0 (90.0)
Gulf JP UT Co., Ltd.	Thermal power business	90.0 (90.0)
Gulf JP NNK Co., Ltd.	Thermal power business	90.0 (90.0)
Gulf JP CRN Co., Ltd.	Thermal power business	90.0 (90.0)
Gulf JP NK2 Co., Ltd.	Thermal power business	90.0 (90.0)
Gulf JP TLC Co., Ltd.	Thermal power business	90.0 (90.0)
Gulf JP KP1 Co., Ltd.	Thermal power business	90.0 (90.0)
Gulf JP KP2 Co., Ltd.	Thermal power business	90.0 (90.0)
Gulf JP NLL Co., Ltd.	Thermal power business	67.5 (67.5)
J-POWER North America Holdings Co., Ltd.	Management of investments	100.0
J-POWER USA Investment Co., Ltd.	Management of investments	100.0 (100.0)
J-POWER USA Development Co., Ltd.	Management of investments, research and development of projects	100.0 (100.0)
J-POWER Consulting (China) Co., Ltd.	Management of investments, research and development of projects	100.0
and 10 companies		
Other Businesses		
Kaihatsu Hiryou Co., Ltd.	Production and sales of fertilizer using ash	100.0
Japan Network Engineering Co., Ltd.	Telecommunications; operation and maintenance of telecommunications facilities	100.0
Omuta Plant Service Co., Ltd.	Operation and maintenance of a waste-fueled power generation plant	100.0
Biocoal Osaka-Hirano Co., Ltd.	Construction and operation of a sewage sludge-based fuel manufacturing facility	60.0
Green Coal Saikai Co., Ltd.	Operation of an ordinary waste-based fuel manufacturing facility	60.0
and 1 company		

	Company Name	Main Businesses	Equity Stake (%)
Affiliates Accounted for by the Equity Method	**Electric Power Business**		
	Kashima Power Co., Ltd.	Thermal power business	50.0
	TOSA POWER Inc.	Thermal power business	45.0
	GENEX Co., Ltd.	Thermal power business	40.0 (40.0)
	Osaki CoolGen Corporation	Large-scale demonstration trials of oxygen-blown IGCC and CO_2 separation and capture	50.0
	Yuzawa Geothermal Power Generation Corporation	Geothermal power business	50.0
	Overseas Business		
	Gulf Electric Public Co., Ltd.	Management of investments	49.0 (49.0)
	Gulf Power Generation Co., Ltd.	Thermal power business	49.0 (49.0)
	Nong Khae Cogeneration Co., Ltd.	Thermal power business	49.0 (49.0)
	Samutprakarn Cogeneration Co., Ltd.	Thermal power business	49.0 (49.0)
	Gulf Cogeneration Co., Ltd.	Thermal power business	49.0 (49.0)
	Gulf Yala Green Co., Ltd.	Thermal power business	49.0 (49.0)
	EGCO Green Energy Co., Ltd.	Management of investments	26.0 (26.0)
	EGCO Cogeneration Co., Ltd.	Thermal power business	20.0 (20.0)
	Roi-Et Green Co., Ltd.	Thermal power business	— [95.0]
	J-POWER USA Generation, L.P.	Management of investments	50.0 (50.0)
	Birchwood Power Partners, L.P.	Thermal power business	50.0 (50.0)
	Green Country Energy, LLC	Thermal power business	— [100.0]
	Pinelawn Power LLC	Thermal power business	— [100.0]
	Equus Power I, L.P.	Thermal power business	— [100.0]
	Edgewood Energy, LLC	Thermal power business	— [100.0]
	Shoreham Energy, LLC	Thermal power business	— [100.0]
	Orange Grove Energy, L.P.	Thermal power business	— [100.0]
	Elwood Energy, LLC	Thermal power business	— [50.0]
	Tenaska Virginia Partners, L.P.	Thermal power business	— [30.0]
	Tenaska Frontier Partners, Ltd.	Thermal power business	— [25.0]
	JM Energy Co., Ltd.	Management of investments	50.0
	Shaanxi Hanjiang Investment & Development Co., Ltd.	Hydroelectric power business	27.0
	ShanXi TianShi Power Generation Co., Ltd.	Thermal power business	24.0
	China Resources Power (Hezhou) Co., Ltd.	Thermal power business	— [100.0]
	Chiahui Power Corporation	Thermal power business	40.0 (40.0)
	PT. BHIMASENA POWER INDONESIA	Thermal power business	34.0
	CBK Netherlands Holdings B.V.	Management of investments	50.0 (50.0)
	CBK Power Co., Ltd.	Hydroelectric power business	— [100.0]
	Zajaczkowo Windfarm Sp. z o.o.	Wind power business	50.0 (50.0)
	and 47 companies		

Notes: 1. The percentages in parentheses present indirect holding ratios and are included in the percentages above. Those shown in brackets are the ratios held by closely related parties or parties in agreement and excluded from the percentages above.
2. JPec Co., Ltd., J-POWER RESOURCES Co., Ltd., J-POWER AUSTRALIA PTY. LTD., J-POWER Holdings (Thailand) Co., Ltd. and Gulf JP Co., Ltd. are specified subsidiaries.

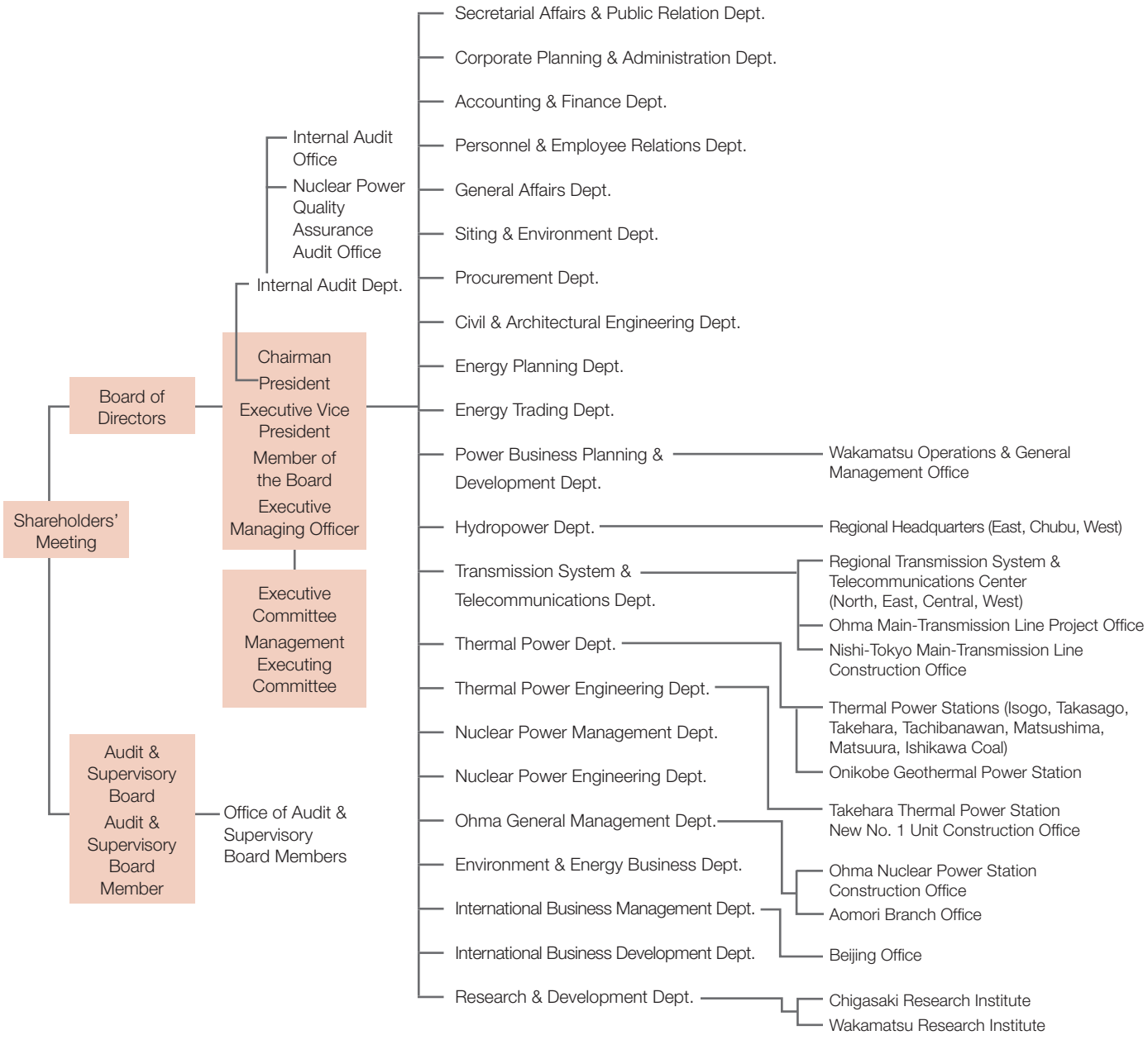
Corporate Profile/Stock Information

(As of March 31, 2016)

Corporate Name	Electric Power Development Co., Ltd.
Communication Name	J-POWER
Date of Establishment	Sept. 16, 1952
Headquarters Address	15-1, Ginza 6-chome, Chuo-ku, Tokyo 104-8165, Japan
Paid-in Capital	¥180,502,169,192
Number of Shares Authorized	660,000,000
Number of Shares Issued	183,051,100
Number of Shareholders	34,158
Stock Exchange Listing	Tokyo Stock Exchange
Independent Public Accountants	Ernst & Young ShinNihon LLC
Transfer Agent	Sumitomo Mitsui Trust Bank, Limited

Organization Chart

(As of July 1, 2016)



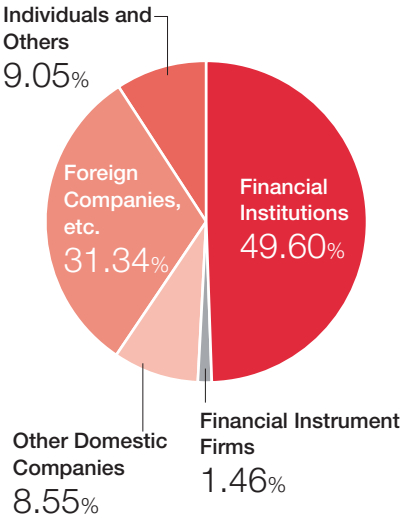
Major Shareholders (Top 10)

(As of March 31, 2016)

Name or Designation	Number of Shares Held (Thousands of Shares)	Percentage to Total Shares Issued (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	11,907	6.50
Nippon Life Insurance Company	9,152	5.00
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,883	4.31
Mizuho Bank, Ltd.	7,465	4.08
Japan Trustee Services Bank, Ltd. (Trust Account 9)	5,136	2.81
Sumitomo Mitsui Banking Corporation	4,295	2.35
J-POWER Employees Shareholding Association	3,547	1.94
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,331	1.82
Fukoku Mutual Life Insurance Company	3,025	1.65
THE BANK OF NEW YORK - JASDECNON-TREATY ACCOUNT	2,820	1.54

* The number of shares held by Fukoku Mutual Life Insurance Company includes its contribution of 600,000 shares to the Retirement Allowance Trust. The holder of said shares, as listed in the Shareholders' Register, is "Japan Trustee Services Bank, Ltd. (Fukoku Mutual Life Insurance Company Retirement Allowance Trust Account re-entrusted by The Sumitomo Mitsui Trust Bank, Limited)."

Breakdown of Issued Shares by Type of Shareholders



* "Individuals and Others" includes 1,191 shares of treasury stock.

Common Stock Price Range

Electric Power Development Co., Ltd.

Corporate Planning & Administration Department
Corporate Planning Office
15-1, Ginza 6-chome, Chuo-ku, Tokyo 104-8165, JAPAN TEL: +81-3-3546-2211 E-Mail: investors@jpower.co.jp

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