

**FINANCIAL
STATEMENTS**

2019

**J-POWER Group
2019**

Consolidated Balance Sheet

As of March 31	Millions of yen	
	2018	2019
ASSETS		
Noncurrent assets	¥2,325,256	¥2,401,671
Electric utility plant and equipment	951,149 ^{1) 2) 6)}	944,323 ^{1) 2) 6)}
Hydroelectric power production facilities	346,719	351,141
Thermal power production facilities	305,191	302,274
Internal combustion engine power production facilities	3,029	2,967
Renewable power production facilities	50,784	44,169
Transmission facilities	153,180	150,699
Transformation facilities	29,718	29,833
Communication facilities	8,375	8,552
General facilities	54,148	54,684
Overseas business facilities	341,418 ^{2) 6)}	312,128 ^{2) 6)}
Other noncurrent assets	93,404 ^{1) 2)}	94,836 ^{1) 2)}
Construction in progress	525,740 ⁶⁾	582,083 ⁶⁾
Construction and retirement in progress	525,740	582,083
Nuclear fuel	73,800	74,514
Nuclear fuel in processing	73,800	74,514
Investments and other assets	339,743	393,785
Long-term investments	256,715 ^{3) 6)}	313,339 ^{3) 6)}
Deferred tax assets	47,744	53,321
Other	35,283 ⁶⁾	27,123 ⁶⁾
Current assets	321,798	364,508
Cash and deposits	129,675 ⁶⁾	121,187 ⁶⁾
Notes and accounts receivable-trade	91,432 ⁶⁾	84,686 ⁶⁾
Short-term investments	9,045	66,000
Inventories	52,368 ⁴⁾	53,483 ⁴⁾
Other	39,322 ⁶⁾	39,149 ⁶⁾
Allowance for doubtful accounts	(46)	—
Total assets	¥2,647,054	¥2,766,179

Millions of yen

As of March 31

	2018	2019
LIABILITIES		
Noncurrent liabilities	¥1,561,828	¥1,622,378
Bonds payable	554,991	614,992
Long-term loans payable	875,043 ⁶⁾	852,269 ⁶⁾
Lease obligations	368	1,106
Other provision	152 ⁵⁾	30 ⁵⁾
Net defined benefit liability	55,176	57,790
Asset retirement obligations	28,484	29,023
Deferred tax liabilities	22,343	19,455
Other	25,266	47,709
Current liabilities	249,100	298,219
Current portion of noncurrent liabilities	114,307 ⁶⁾	159,335 ⁶⁾
Short-term loans payable	16,803	15,278
Notes and accounts payable-trade	25,539	25,457
Accrued taxes	26,303	17,155
Other provision	292 ⁵⁾	678 ⁵⁾
Asset retirement obligations	341	368
Other	65,512	79,946
Total liabilities	1,810,929	1,920,597
NET ASSETS		
Shareholders' equity	745,176	777,699
Capital stock	180,502	180,502
Capital surplus	119,927	119,927
Retained earnings	444,753	477,276
Treasury stock	(6)	(7)
Accumulated other comprehensive income	42,114	19,760
Valuation difference on available-for-sale securities	16,822	12,482
Deferred gains or losses on hedges	(6,580)	(7,293)
Foreign currency translation adjustment	30,960	17,551
Remeasurements of defined benefit plans	912	(2,979)
Non-controlling interests	48,833	48,123
Total net assets	836,124	845,582
Total liabilities and net assets	¥2,647,054	¥2,766,179

Consolidated Statement of Income

Year ended March 31	Millions of yen	
	2018	2019
Operating revenue	¥856,252	¥897,366
Electric utility operating revenue	631,923	693,790
Overseas business operating revenue	163,084	141,024
Other business operating revenue	61,244	62,551
Operating expenses	751,916 ^{1) 2)}	818,521 ^{1) 2)}
Electric utility operating expenses	566,143	652,781
Overseas business operating expenses	131,251	112,003
Other business operating expenses	54,521	53,737
Operating income	104,336	78,844
Non-operating income	29,113	18,894
Dividend income	1,577	1,592
Interest income	1,287	1,357
Share of profit of entities accounted for using equity method	9,721	9,657
Gain on sales of securities	229	1,999
Other	16,298	4,287
Non-operating expenses	30,974	29,200
Interest expenses	28,387	26,377
Other	2,586	2,822 ³⁾
Total ordinary revenue	885,366	916,261
Total ordinary expenses	782,890	847,722
Ordinary income	102,476	68,539
Extraordinary losses	3,389	—
Impairment losses	3,389 ³⁾	—
Profit before income taxes	99,086	68,539
Income taxes-current	20,124	17,149
Income taxes-deferred	(3,700)	(3,947)
Total income taxes	16,423	13,201
Profit	82,662	55,337
Profit attributable to non-controlling interests	14,213	9,084
Profit attributable to owners of parent	¥68,448	¥46,252

Consolidated Statement of Comprehensive Income

Year ended March 31	Millions of yen	
	2018	2019
Profit	¥82,662	¥55,337
Other comprehensive income		
Valuation difference on available-for-sale securities	1,229	(4,420)
Deferred gains or losses on hedges	(4,134)	1,047
Foreign currency translation adjustment	10,385	(11,780)
Remeasurements of defined benefit plans, net of tax	1,341	(3,889)
Share of other comprehensive income of entities accounted for using equity method	812	(2,103)
Total other comprehensive income	9,634 ¹⁾	(21,147) ¹⁾
Comprehensive income	92,297	34,189
(Comprehensive income attributable to abstract)		
Comprehensive income attributable to owners of parent	76,286	23,898
Comprehensive income attributable to non-controlling interests	¥16,010	¥10,291

Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2018

Millions of yen

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
Balance at the beginning of current period	¥180,502	¥119,927	¥389,117	¥(5)	¥689,542
Changes of items during period					
Dividends of surplus			(12,813)		(12,813)
Profit attributable to owners of parent			68,448		68,448
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	55,635	(1)	55,633
Balance at the end of current period	¥180,502	¥119,927	¥444,753	¥(6)	¥745,176

Millions of yen

	Accumulated other comprehensive income						Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Balance at the beginning of current period	¥15,594	¥(2,183)	¥21,295	¥(430)	¥34,276	¥40,200	¥764,019
Changes of items during period							
Dividends of surplus							(12,813)
Profit attributable to owners of parent							68,448
Purchase of treasury shares							(1)
Net changes of items other than shareholders' equity	1,227	(4,397)	9,664	1,342	7,838	8,633	16,471
Total changes of items during period	1,227	(4,397)	9,664	1,342	7,838	8,633	72,105
Balance at the end of current period	¥16,822	¥(6,580)	¥30,960	¥912	¥42,114	¥48,833	¥836,124

For the year ended March 31, 2019

Millions of yen

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
Balance at the beginning of current period	¥180,502	¥119,927	¥444,753	¥(6)	¥745,176
Changes of items during period					
Dividends of surplus			(13,728)		(13,728)
Profit attributable to owners of parent			46,252		46,252
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	32,523	(1)	32,522
Balance at the end of current period	¥180,502	¥119,927	¥477,276	¥(7)	¥777,699

Millions of yen

	Accumulated other comprehensive income						Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Balance at the beginning of current period	¥16,822	¥(6,580)	¥30,960	¥912	¥42,114	¥48,833	¥836,124
Changes of items during period							
Dividends of surplus							(13,728)
Profit attributable to owners of parent							46,252
Purchase of treasury shares							(1)
Net changes of items other than shareholders' equity	(4,339)	(712)	(13,409)	(3,892)	(22,354)	(710)	(23,064)
Total changes of items during period	(4,339)	(712)	(13,409)	(3,892)	(22,354)	(710)	9,457
Balance at the end of current period	¥12,482	¥(7,293)	¥17,551	¥(2,979)	¥19,760	¥48,123	¥845,582

Consolidated Statement of Cash Flows

Millions of yen

Year ended March 31	2018	2019
Cash flows from operating activities		
Profit before income taxes	¥99,086	¥68,539
Depreciation and amortization	82,298	79,979
Loss on retirement of noncurrent assets	3,039	4,786
Increase (decrease) in net defined benefit liability	(1,046)	(2,777)
Interest and dividend income	(2,864)	(2,950)
Interest expenses	28,387	26,377
Decrease (increase) in notes and accounts receivable-trade	(10,801)	6,211
Decrease (increase) in inventories	(5,121)	(1,315)
Increase (decrease) in notes and accounts payable-trade	(2,143)	3,394
Share of (profit) loss of entities accounted for using equity method	(9,721)	(9,657)
Other, net	10,253	10,011
Subtotal	191,366	182,599
Interest and dividend income received	16,620	15,749
Interest expenses paid	(28,486)	(26,102)
Income taxes paid	(19,190)	(23,822)
Net cash provided by (used in) operating activities	160,310	148,423
Cash flows from investing activities		
Purchase of noncurrent assets	(98,816)	(106,009)
Payments of investment and loans receivable	(8,149)	(74,457)
Collection of investment and loans receivable	2,243	10,410
Other, net	(4,913)	(375)
Net cash provided by (used in) investing activities	(109,635)	(170,432)
Cash flows from financing activities		
Proceeds from issuance of bonds	99,633	119,548
Redemption of bonds	(160,100)	(40,000)
Proceeds from long-term loans payable	56,510	79,720
Repayment of long-term loans payable	(53,280)	(74,860)
Proceeds from short-term loans payable	67,708	63,470
Repayment of short-term loans payable	(75,813)	(64,991)
Proceeds from issuance of commercial papers	15,000	83,000
Redemption of commercial papers	(15,000)	(83,000)
Cash dividends paid	(12,810)	(13,729)
Cash dividends paid to non-controlling interests	(7,342)	(10,826)
Other, net	(329)	16,289
Net cash provided by (used in) financing activities	(85,825)	74,622
Effect of exchange rate change on cash and cash equivalents	3,536	(2,375)
Net increase (decrease) in cash and cash equivalents	(31,614)	50,237
Cash and cash equivalents at beginning of the period	168,454	136,840
Cash and cash equivalents at end of the period	¥136,840 ¹⁾	¥187,077 ¹⁾

Summary of Significant Accounting Policies

1. Scope of consolidation

Number of consolidated subsidiaries: 71

The accompanying consolidated financial statements include the accounts of Electric Power Development Co., Ltd. (the "Company") and its 71 subsidiaries controlled directly or indirectly by the Company.

In this fiscal year, J-Wind KAMINOKUNI., Ltd., which was established in April 2018, J-Power Latrobe Valley Pty. Ltd., which was established in June 2018, and JP Renewable Europe Co., Ltd., which was established in July 2018 have been included in the scope of consolidation.

As JPOWER GENEX CAPITAL Co., Ltd. was liquidated in November 2018, it is no longer a consolidated subsidiary. J-Wind Co., Ltd., a consolidated subsidiary, merged Yurihonjo Wind Power Co., Ltd. in April 2018 and Minami Kyushu Wind Power Co., Ltd. in July 2018, both of which were also consolidated subsidiaries.

2. Application of equity method

Number of companies accounted for by the equity method: 95

In this fiscal year, Appi Geothermal Energy Corporation, which was acquired in June 2018, Triton Knoll Offshore Wind Farm Ltd. and another company, which were acquired in September 2018, ENERES Co., Ltd. and five other companies, of which shares were acquired in December 2018 are newly included in the scope of accounting by the equity method. GENEX Co., Ltd., all of which shares held were sold in May 2018, and ShanXi TianShi Power Generation Co., Ltd., all of which equity stakes held were transferred in March 2019, were excluded from the scope of accounting by the equity method.

Affiliated companies that were not accounted for by the equity method (Nishikyushu Kyodo Kowan Co., Ltd. and others) are not material in terms of consolidated net income and loss (proportional amount of equity) and retained earnings (proportional amount of equity), and their overall impact is immaterial, so they have been excluded from the scope of equity method accounting.

Of the companies accounted for by the equity method, 80 companies have reporting dates that differ from that of the Company, of which financial statements as of their respective reporting dates are used. Of the companies accounted for by the equity method, provisionally prepared financial statements as of the Company's reporting date are used for six companies.

3. Reporting dates of consolidated subsidiaries, etc.

All of the consolidated subsidiaries, except for J-POWER AUSTRALIA PTY. LTD. and 34 other overseas subsidiaries, have the same reporting date as that of the Company. The fiscal year-end of each of J-POWER AUSTRALIA PTY. LTD. and 34 other overseas subsidiaries is the end of December. The financial statements of these subsidiaries as of the date are used for consolidation after necessary adjustments with regard to significant transactions incurred during the periods between their fiscal year-ends and that of the Company.

4. Accounting policies

(1) Valuation policies for assets

a. Long-term investments (available-for-sale securities)

Available-for-sale securities with market value are stated at market value on the balance sheet date. Cost of sold securities is stated using the moving average method. Unrealized gain (loss) on available-for-sale securities is included in net assets. Available-for-sale securities without market value are stated at cost determined by the moving average method.

b. Money in trust for cash management purposes

Stated at market value.

c. Derivatives

Stated at fair value, and hedge accounting is applied to those instruments which fulfill hedge conditions.

d. Inventories

Valuation standard: cost method (book values on the balance sheet are written down on the basis of decline in profitability).

Valuation method: specialty goods are stated at cost determined by the identified cost method, and other inventories are stated at cost determined by the monthly average method.

(2) Depreciation and amortization of noncurrent assets

a. Depreciation and amortization method

(Tangible assets)

Mainly straight-line method has been applied.

(Intangible assets)

Straight-line method has been applied.

Software costs for internal use are amortized based on the internally available period (five years) using the straight-line method.

b. Estimated useful lives

The same as prescribed in the Corporation Tax Law of Japan has been applied.

(3) Allowance and reserve policies

a. Allowance for doubtful accounts

To provide for doubtful accounts of accounts receivable and others through consideration of their recoverability based on the historical experience with bad debt for general receivables and based on the individual recoverability for specific receivables from companies in financial difficulty, the estimated irrecoverable amounts are posted.

(4) Accounting for employee retirement benefits

a. Attribution of estimated retirement benefits

In calculating retirement benefit obligations, estimated retirement benefits are attributed to each period to the end of current fiscal year by the benefit formula method.

b. Recognition of actuarial differences and past service cost

Actuarial differences are primarily recognized under the declining-balance method over two years from the fiscal year following the fiscal year in which they were incurred, and past service costs are mainly recognized under the straight-line method over two years from the year in which the expense was incurred.

(5) Accounting for revenue and cost

a. Revenue and cost for construction contracts

(Construction contracts for which the degree of completion can be confirmed at the end of fiscal year)

Based on the percentage of completion method (estimated degree of completion for construction is calculated by the cost-to-cost method).

(Other construction contracts)

Based on the completed contract method.

(6) Hedge accounting

a. Method of hedge accounting

Deferred hedge accounting is applied. For hedges of foreign exchange fluctuation risk, the allocation method is applied when the hedge satisfies the requirements. For interest rate swaps, the special method is applied when the swaps satisfy the requirements.

b. Hedging instruments and targets

Hedging instruments	Hedged items
Foreign exchange forward contracts, foreign currency swaps	Payments of principal and interest with respect to foreign-currency-denominated bonds and loans, some foreign-currency-denominated receivables and payables
Interest rate swaps, Interest rate collar transactions	Payments of principal and interest with respect to bonds and loans
Commodity-price-related swaps	Some transactions affected by fluctuations in commodity prices

c. Hedging policies

Based on the Company's internal regulations relating to derivative transactions, derivatives are executed for the purpose of avoiding the risks caused by fluctuating exchange rates, interest rates, and commodity purchase prices, and the Company's policy is not to perform speculative transactions.

d. Evaluation of hedge effectiveness

The Company evaluates hedge effectiveness on a quarterly basis or a per transaction basis by comparing cumulative changes in cash flow of hedging instruments with cumulative changes in hedged cash flow. Evaluation of the effectiveness of foreign exchange forward contracts and foreign currency swaps to which the allocation method is applied and interest rate swaps to which the special method is applied has been omitted.

(7) Cash and cash equivalents presented in the consolidated statements of cash flows

Cash and cash equivalents consist of cash on hand, bank deposits which can be withdrawn on demand, and short-term investments with a maturity of three months or less when purchased which can easily be converted into cash and are subject to little risk of change in value.

(8) Others

a. Accounting for consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

Accounting Standards Issued but not yet Effective

On March 30, 2018, the ASBJ issued "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30).

(1) Overview

This is a comprehensive accounting standard for revenue recognition. Specifically, the accounting standard establishes the following five-step model that will apply to revenue from customers:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when (or as) the entity satisfies a performance obligation

(2) Scheduled date of adoption

The Company expects to adopt the accounting standard and implementation guidance from the beginning of the fiscal year ending March 31, 2022.

(3) Impact of the adoption of accounting standard and implementation guidance

The Company is currently evaluating the effect of the adoption of this accounting standard and implementation guidance on its consolidated financial statements.

Changes in Presentation Methods

(Consolidated Statements of Income)

In the previous fiscal year, "Gain on sales of securities" was included in "Other" in "Non-operating income", but it was presented separately in the current fiscal year due to increased importance. In the previous fiscal year, "Foreign exchange gains" was presented separately under "Non-operating income" but it was included in "Other" in the current fiscal year due to diminished importance. To reflect these changes in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, 11,179 million yen presented as "Foreign exchange gains" and 5,347 million yen presented as "Other" under "Non-operating income" in the Consolidated Statements of Income for the previous fiscal year were reclassified as 229 million yen presented as "Gain on sales of securities" and 16,298 million yen presented as "Other."

(Consolidated Statement of Cash Flows)

In the previous fiscal year, "Impairment loss" was presented separately under "Cash flows from operating activities", but it was included in "Other" in the current fiscal year due to diminished importance. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, 3,389 million yen of "Impairment loss" and 6,863 million yen of "Other" under "Cash flows from operating activities" in the consolidated statement of cash flows for the previous fiscal year were reclassified as 10,253 million yen of "Other".

(Changes due to adoption of "Partial Amendments to Accounting Standard for Tax Effect Accounting")

"Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) (hereinafter, the "Partial Amendments") has been applied from the beginning of the current fiscal year. As such, deferred tax assets and deferred tax liabilities are presented under investments and other assets and noncurrent liabilities, respectively, and related income tax disclosures have been expanded.

As a result, 5,411 million yen presented as "Deferred tax assets" under "Current assets", 73 million yen presented as "Deferred tax liabilities" under "Current liabilities" and 93 million yen of "Deferred tax liabilities" under "Noncurrent liabilities" in the Consolidated Balance Sheet for the previous fiscal year were reclassified and included in 47,744 million yen presented as "Deferred tax assets" under "Investments and other assets", and the amount of "Deferred tax liabilities" under "Noncurrent liabilities" declined to 22,343 million yen.

Also, "Income Taxes" in the Notes to Consolidated Financial Statements has been expanded in accordance with Note 8 (excluding the amount of valuation allowance) and Note 9 of Interpretive Notes to Accounting for Tax Effect Accounting set forth in Articles from 3 to 5 of the Partial Amendments. However, comparative information for the previous fiscal year has not been disclosed in accordance with the transitional provisions set forth in Article 7 of the Partial Amendments.

Consolidated Balance Sheet

1) Construction grants, which were deducted from the cost of noncurrent assets (accumulated)

As of March 31	Millions of yen	
	2018	2019
	¥126,839	¥126,551

2) Accumulated depreciation of tangible assets

As of March 31	Millions of yen	
	2018	2019
	¥3,041,392	¥3,056,666

3) Long-term investments in non-consolidated subsidiaries and affiliated companies

As of March 31	Millions of yen	
	2018	2019
Stocks	¥182,899	¥249,923

4) Inventories

As of March 31	Millions of yen	
	2018	2019
Merchandise and finished goods	¥1,319	¥1,123
Work in process	1,433	1,576
Raw materials and supplies	49,615	50,783
Total	¥52,368	¥53,483

5) Provisions

As of March 31	2018	2019
	Provisions for directors' bonuses stated by subsidiaries are included in other provision	Provisions for directors' bonuses stated by subsidiaries are included in other provision

6) Pledged assets and secured liabilities

(1) Assets of the Company pledged for loans of other companies

As of March 31	Millions of yen	
	2018	2019
Long-term investments	¥3,268	¥3,758

(2) Assets of consolidated subsidiaries pledged to financial institutions for debt

As of March 31	Millions of yen	
	2018	2019
Overseas business facilities	¥320,067	¥291,793
Cash and deposits	38,107	33,487
Long-term investments	17,776	16,627
Construction in progress	172	12,743
Other (Investments and other assets)	4,013	3,794
Electric utility plant and equipment	5,031	3,601
Notes and accounts receivable-trade	269	259
Other (Current assets)	¥215	¥218

Liabilities related to pledged assets mentioned above

As of March 31	Millions of yen	
	2018	2019
Long-term loans (including current portion)	¥286,140	¥261,684

7) Contingent liabilities

(1) Guarantees

As of March 31	Millions of yen	
	2018	2019
Guarantees given to certain financial institutions for loans of companies below:		
PT. BHIMASENA POWER INDONESIA	¥29,512	¥30,831
Yuzawa Geothermal Power Generation Corporation	895	2,045
SAHARA COOLING Ltd.	186	191
Zajaczkowo Windfarm Sp. z o. o.	2,854	—
Guarantees given in connection with housing loans to employees	847	688
Total	¥34,296	¥33,757

(2) Guarantees given to certain banks for performance bonds under power purchase agreements of the company below:

As of March 31	Millions of yen	
	2018	2019
PT. BHIMASENA POWER INDONESIA	¥2,528	¥2,641

(3) Guarantees given for payment obligations on wind power generator purchase agreements of the company below:

As of March 31	Millions of yen	
	2018	2019
J-Wind KAMINOKUNI., Ltd.	—	¥4,507
J-Wind SETANA Co., Ltd.	¥8,243	¥3,358

(4) Guarantees given for joint liability for performance guarantee insurance agreements of the company below:

As of March 31	Millions of yen	
	2018	2019
Biocoal Kumamoto-South Co., Ltd.	¥18	¥21

(5) Commitment for additional investment and/or loan with regard to loan agreements of the company below:

As of March 31	Millions of yen	
	2018	2019
Triton Knoll Offshore Wind Farm Ltd.	—	¥12,602

The amount shows the maximum commitment

Consolidated Statement of Income

1) A breakdown of electric utility operating expenses

Year ended March 31	Millions of yen			
	2018		2019	
	Electric utility operating expenses	Selling, general and administrative expenses*	Electric utility operating expenses	Selling, general and administrative expenses*
Personnel expenses	¥33,032	¥19,643	¥31,219	¥17,780
Fuel cost	267,549	—	299,286	—
Repair expenses	61,346	1,143	68,641	1,310
Consignment cost	40,448	14,126	41,057	14,783
Taxes and duties	25,732	731	25,696	729
Depreciation and amortization cost	58,838	1,967	56,608	2,076
Research expenses	15,385	15,385	13,514	13,514
Other	63,809	7,954	116,756	10,940
Total	¥566,143	¥60,951	¥652,781	¥61,136

* Included in electric utility operating expenses

2) Research and development costs included in operating expenses

Year ended March 31	Millions of yen	
	2018	2019
	¥17,232	¥15,333

Research and development costs are presented in a total amount pursuant to the Accounting Standard for Research and Development Costs, etc. ("Opinion Concerning Establishment of

Accounting Standard for Research and Development Costs, etc." issued by the Business Accounting Deliberation Council on March 13, 1998).

3) Impairment loss

For the year ended March 31, 2018

The Company and its subsidiaries group assets based on their management accounting categories under which continuous oversight of the balance of payments are maintained. (Electric utility plants and equipment are grouped by business department, and overseas business facilities and other noncurrent assets are grouped by control management department or site.)

Due to a deterioration in the business environment and other factors, the Company examined the potential for future collectability,

and consequently determined that it would be difficult to collect on certain investments relating to special asset groups. Therefore, the book value was written down to the recoverable amount. Moreover, idle assets for which no immediate use was foreseen and others were grouped individually, and written down to their recoverable amount. The corresponding impairment loss of 3,389 million yen was recognized under extraordinary losses.

The main components of impairment loss are as follows:

Use and location	Classification	Millions of yen
		Amount
Offshore wind power production facilities (The Company; Kita-kyushu City, Fukuoka prefecture)	Machinery	¥2,844

(Calculation of the recoverable amount)

The recoverable amount of offshore wind power production facilities was recorded at the value in use and measured as memorandum value since the estimated future cash flows are negative. The recoverable amount of idle assets was measured according to their net selling value; assets slated for sale were recorded based on their expected selling value, while other assets were appraised at a value that reflects market prices.

For the year ended March 31, 2019

The Company and its subsidiaries group assets based on their management accounting categories under which continuous oversight of the balance of payments are maintained. (Electric utility plants and equipment are grouped by business department, and overseas business facilities and other noncurrent assets are grouped by control management department or site.)

Due to a deterioration in the business environment and other

factors, the Company examined the potential for future collectability, and consequently determined that it would be difficult to collect on certain investments relating to special asset groups. Therefore, the book value was written down to the recoverable amount.

Moreover, idle assets for which no immediate use was foreseen and others were grouped individually, and written down to their recoverable amount. The corresponding impairment loss of 632 million yen was recognized under "Other" of "Non-operating expenses", which consists of structures of 610 million yen and land of 22 million yen.

(Calculation of the recoverable amount)

With regard to idle assets, the recoverable amount of structures was recorded at the value in use and the total amount of the book value was posted as an impairment loss. Land was appraised at a value that reflects market prices.

Consolidated Statement of Comprehensive Income

1) Reclassification adjustments and tax effects relating to other comprehensive income

Year ended March 31	Millions of yen	
	2018	2019
Valuation difference on available-for-sale securities		
Amount accrued for the current year	¥2,180	¥(3,693)
Reclassification adjustment	(229)	(1,788)
Amount before tax effect	1,951	(5,481)
Tax effect	(721)	1,061
Valuation difference on available-for-sale securities	1,229	(4,420)
Deferred gains or losses on hedges		
Amount accrued for the current year	(5,220)	(279)
Reclassification adjustment	24	550
Amount before tax effect	(5,195)	271
Tax effect	1,061	775
Deferred gains or losses on hedges	(4,134)	1,047
Foreign currency translation adjustment		
Amount accrued for the current year	10,385	(11,780)
Remeasurements of defined benefit plans, net of tax		
Amount accrued for the current year	1,738	(4,060)
Reclassification adjustment	120	(1,332)
Amount before tax effect	1,859	(5,392)
Tax effect	(517)	1,502
Remeasurements of defined benefit plans, net of tax	1,341	(3,889)
Share of other comprehensive income of entities accounted for using equity method		
Amount accrued for the current year	724	(2,506)
Reclassification adjustment	87	402
Share of other comprehensive income of entities accounted for using equity method	812	(2,103)
Other comprehensive income	¥9,634	¥(21,147)

Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2018

1. Shares issued

Type				Shares
	As of April 1, 2017	Increase	Decrease	As of March 31, 2018
Common stock	183,051,100	—	—	183,051,100

2. Treasury stock

Type				Shares
	As of April 1, 2017	Increase	Decrease	As of March 31, 2018
Treasury stock	1,331	420	—	1,751

(Summary of reason of the change)

A breakdown of the increase is as follows:

Increase due to purchasing shares that are less than one voting unit: 420 shares

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general shareholders' meeting (June 28, 2017)	Common stock	¥6,406	¥35	March 31, 2017	June 29, 2017
Board of Directors (October 31, 2017)	Common stock	¥6,406	¥35	September 30, 2017	November 30, 2017

(2) Dividends with the cut-off date in the year ended March 31, 2018 and the effective date in the year ended March 31, 2019

Resolution	Type of shares	Dividends paid from	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general shareholders' meeting (June 27, 2018)	Common stock	Retained earnings	¥7,321	¥40	March 31, 2018	June 28, 2018

(Note) The Corporation Law of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the common stock account. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met, except neither the capital reserve nor the legal reserve is available for distributions.

For the year ended March 31, 2019

1. Shares issued

Type				Shares
	As of April 1, 2018	Increase	Decrease	As of March 31, 2019
Common stock	183,051,100	—	—	183,051,100

2. Treasury stock

Type				Shares
	As of April 1, 2018	Increase	Decrease	As of March 31, 2019
Treasury stock	1,751	400	—	2,151

(Summary of reason of the change)

A breakdown of the increase is as follows:

Increase due to purchasing shares that are less than one voting unit: 400 shares

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general shareholders' meeting (June 27, 2018)	Common stock	¥7,321	¥40	March 31, 2018	June 28, 2018
Board of Directors (October 31, 2018)	Common stock	¥6,406	¥35	September 30, 2018	November 30, 2018

(2) Dividends with the cut-off date in the year ended March 31, 2019 and the effective date in the year ending March 31, 2020

Resolution	Type of shares	Dividends paid from	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general shareholders' meeting (June 26, 2019)	Common stock	Retained earnings	¥7,321	¥40	March 31, 2019	June 27, 2019

(Note) The Corporation Law of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the common stock account. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met, except neither the capital reserve nor the legal reserve is available for distributions.

Consolidated Statement of Cash Flows

1) The reconciliation between the balance of cash and cash equivalents at the end of year and accounts on the consolidated balance sheet

Year ended March 31	Millions of yen	
	2018	2019
Cash and deposits account	¥129,675	¥121,187
Time deposits with a maturity of more than three months	(1,835)	(110)
Marketable securities with a redemption period of three months or less from the date of acquisition, included in the short-term investments account	9,000	66,000
Cash and cash equivalents	¥136,840	¥187,077

Financial Instruments

1. Status of financial instruments

(1) Policy for financial instruments

The Company formulates funds procurement plans based on demand for funding of capital expenditures related to the domestic electric power business, investment in the overseas power generation business, and other business. The requisite funds are then procured (mainly from the issue of bonds and loans from financial institutions). Funds temporarily in excess are invested in financial assets with a high degree of safety. The Company also procures funds for short-term working capital through borrowings and the issue of commercial papers. Derivatives are used to avoid the risks noted below and it is corporate policy not to engage in speculative transactions.

(2) Types of financial instruments and related risk

Notes and accounts receivable-trade are operating receivables exposed to client credit risk. Securities held as long-term investments are shares, etc. related to business or capital ties with the partner companies to the transactions and are exposed to the risk of fluctuation in market prices. Short-term investments consist primarily of domestic CDs (transferable deposits) and are exposed to bank credit risk.

Notes and accounts payable-trade are operating liabilities and nearly all have a payment term of one year or less. Some of these are foreign currency transactions and these are exposed to currency fluctuation risk; however, part of this is hedged through the use of foreign exchange forward contracts. Loans and bonds are used mainly for the procurement of funds required for capital investment. The redemption term is 19 years at the longest after the fiscal year settlement date. Some of these have variable interest rates and are thus exposed to interest rate fluctuation risk; however, this is hedged through the use of derivatives transactions (interest rate swaps).

Derivatives transactions consist mainly of transactions involving foreign exchange forward contracts to hedge the risk of currency fluctuation accompanying operating receivables and payables denominated in foreign currencies, interest rate swaps designed to hedge the risk of interest rate fluctuations for loans, and commodity swaps designed to hedge the risk of fluctuation in commodity prices. Please see section "4. Accounting policies – (6) Hedge accounting" under "Summary of Significant Accounting Policies" mentioned above for the hedging methods, hedging targets, hedging policies and methods for appraising hedging effectiveness, etc.

(3) Risk management for financial instruments**a. Monitoring of credit risk (the risk that customers or counterparties may default, etc.)**

In accordance with the Rules on Management of Sales, etc., each division of the Company monitors the due dates and balances of operating receivables for each transacting partner and also maintains a perpetual grasp of changes in the state of management, etc. for these companies. Consolidated subsidiaries also follow the Rules on Management of Sales, etc. and manage business affairs in the same manner. Please note that credit risk is minimal for the domestic electric power business since transactions are conducted mainly with former 10 EPCOs, which have high credit ratings. The same applies to overseas business since transactions are conducted mainly with the Electricity Generating Authority of Thailand (EGAT).

When derivatives transactions are used, they are conducted only with financial and other institutions bearing high credit ratings to mitigate counterparty risk.

The largest amount of credit risk as of the fiscal year-end is shown in the value of financial assets exposed to credit risk on the consolidated balance sheet.

b. Monitoring of market risks (the risks arising from fluctuations in foreign exchange rates, interest rates and others)

The Company and some of its consolidated subsidiaries generally employ foreign exchange forward contracts to hedge the risk of currency fluctuations for foreign-denominated operating receivables and payables, as determined on a monthly basis, by currency. The Company and some of its consolidated subsidiaries also employ interest rate swaps to avoid the risk of fluctuation in interest rates on loans. The Company engages in commodity swaps to obviate

the risk of fluctuation in commodity prices as well.

Regarding securities, fair values and financial conditions of issuers (partner companies) and other components are periodically monitored.

Derivatives transactions are executed and managed based on the Company's inner rules which determine the maximum limits for derivatives transactions by purpose, methods of monitoring and reporting, and others. Consolidated subsidiaries also adhere to these rules of the Company in managing derivatives.

c. Monitoring of liquidity risk (the risk that the Company may not be able to meet obligations on scheduled due dates)

The Accounting & Finance Department formulates and updates financing plans in a timely manner based on reports from the various departments and manages liquidity risk through issuance of commercial papers and other means.

(4) Supplemental explanation of the estimated fair value of financial instruments

Fair value of financial instruments includes not only values based on market prices, but also values calculated in a reasonable manner for instruments that do not have a market price. Calculation of such values incorporates factors that fluctuate so values may fluctuate with the employment of different underlying assumptions and other factors. Moreover, contract amounts of derivatives transactions in "Derivatives Transactions" do not indicate the market risk related to the derivatives transactions, in and of themselves.

(5) Concentration of credit risk

As of March 31, 2019, 71% of the operating receivables are from former 10 EPCOs and the EGAT.

2. Fair value of financial instruments

The carrying values recorded on the consolidated balance sheet, fair value and differences between them are as follows. Please note that instruments for which it is extremely difficult to ascertain a fair value are not included in the following table (see (Note 2)).

As of March 31, 2018	Millions of yen		
	Carrying value	Fair value	Difference
(1) Cash and deposits	¥129,675	¥129,675	—
(2) Notes and accounts receivable-trade	91,432	91,432	—
(3) Short-term investments	9,045	9,045	—
(4) Investment securities	43,657	43,657	—
Available-for-sale securities *1	43,657	43,657	—
Total assets	273,810	273,810	—
(5) Notes and accounts payable-trade	25,539	25,539	—
(6) Short-term loans payable	16,803	16,803	—
(7) Bonds payable *2	594,991	619,515	¥(24,523)
(8) Long-term loans payable *2	948,935	973,745	(24,810)
Total liabilities	1,586,270	1,635,603	¥(49,333)
(9) Derivatives transactions *3			
Transactions not subject to hedge accounting	(0)	(0)	—
Transactions subject to hedge accounting	(14,384)	(14,384)	—
Total derivatives transactions	¥(14,385)	¥(14,385)	—

*1 Included in long-term investments on the consolidated balance sheet.

*2 Includes current portion of bonds and long-term loans payable.

*3 Indicates the net amount of receivables and payables derived from derivatives transactions.

Millions of yen

As of March 31, 2019	Carrying value	Fair value	Difference
(1) Cash and deposits	¥121,187	¥121,187	—
(2) Notes and accounts receivable-trade	84,686	84,686	—
(3) Short-term investments	66,000	66,000	—
(4) Investment securities	32,799	32,799	—
Available-for-sale securities *1	32,799	32,799	—
Total assets	304,673	304,673	—
(5) Notes and accounts payable-trade	25,457	25,457	—
(6) Short-term loans payable	15,278	15,278	—
(7) Bonds payable *2	674,992	679,356	¥(4,363)
(8) Long-term loans payable *2	951,107	978,023	(26,916)
Total liabilities	1,666,834	1,698,115	¥(31,280)
(9) Derivatives transactions *3			
Transactions not subject to hedge accounting	0	0	—
Transactions subject to hedge accounting	(14,109)	(14,109)	—
Total derivatives transactions	¥(14,109)	¥(14,109)	—

*1 Included in long-term investments on the consolidated balance sheet.

*2 Includes current portion of bonds and long-term loans payable.

*3 Indicates the net amount of receivables and payables derived from derivatives transactions.

(Note 1) Methods to determine the estimated fair value of financial instruments and other matters related to securities and derivatives transactions

(1) Cash and deposits, (2) Notes and accounts receivable-trade, (3) Short-term investments (transferable deposits, etc.)
Since these are settled within a short period of time, their carrying value approximates fair value.

(4) Investment securities
The fair value of shares is based on quoted market prices. For information of securities by purpose of holding, please refer to "Securities."

(5) Notes and accounts payable-trade, (6) Short-term loans payable
Since these are settled within a short period of time, their carrying value approximates fair value.

(7) Bonds payable
The fair value of bonds issued by the Company is calculated by taking the current value of the sum of the principal and interest discounted by an interest rate which takes the time remaining on the bonds and the credit risk into consideration.

(8) Long-term loans payable
The fair value of long-term loans payable is calculated by taking the current value of the sum of the principal and interest or, in cases subject to special handling with interest rate swaps, the total principal and interest with the interest rate swaps combined, discounted by the assumed interest rate for an equivalent level of new borrowing.

(9) Derivatives transactions
Refer to "Derivatives transactions."

(Note 2) Amounts of financial instruments recorded on the consolidated balance sheet for which it is extremely difficult to determine the fair value

As of March 31	2018	2019
Unlisted shares (excluding share sold on the OTC market)	¥7,136	¥7,394
Unlisted foreign shares	172	154
Capital contribution	1,536	1,585
Foreign capital contribution	¥11,659	¥11,350

The above do not have a market value and estimation of future cash flows from them or taking other measures to estimate their fair value would be impossible. Therefore, they are not included in "Available-for-sale securities." Please note that the shares of non-consolidated subsidiaries and affiliates have been omitted from the table above because they are listed under "Consolidated Balance Sheet, 3) Long-term investments in non-consolidated subsidiaries and affiliated companies."

(Note 3) Redemption schedule for receivables and securities with maturities after the end of the fiscal year

As of March 31, 2018	Millions of yen Due in one year or less
Cash and deposits*	¥129,675
Notes and accounts receivable-trade	91,432
Short-term investments	9,045
Investment securities	—
Available-for-sale securities with maturities	—
Total	¥230,153

* Amounts in cash and deposits to be redeemed within one year or less include cash.

As of March 31, 2019	Millions of yen Due in one year or less
Cash and deposits *	¥121,187
Notes and accounts receivable-trade	84,686
Short-term investments	66,000
Investment securities	
Available-for-sale securities with maturities	—
Total	¥271,874

* Amounts in cash and deposits to be redeemed within one year or less include cash.

(Note 4) Bonds, long-term loans payable, and other interest-bearing debt scheduled for repayment after the end of fiscal year

As of March 31, 2018	Millions of yen			
	Short-term loans payable	Bonds payable	Long-term loans payable	Total
Due in one year or less	¥16,803	¥40,000	¥73,892	¥130,695
Due after one year through two years	—	60,000	99,099	159,099
Due after two years through three years	—	80,000	79,936	159,936
Due after three years through four years	—	20,000	45,482	65,482
Due after four years through five years	—	20,000	83,635	103,635
Due after five years	—	¥375,000	¥566,890	¥941,890

As of March 31, 2019	Millions of yen			
	Short-term loans payable	Bonds payable	Long-term loans payable	Total
Due in one year or less	¥15,278	¥60,000	¥98,837	¥174,115
Due after one year through two years	—	80,000	80,790	160,790
Due after two years through three years	—	20,000	66,309	86,309
Due after three years through four years	—	20,000	90,110	110,110
Due after four years through five years	—	70,000	94,147	164,147
Due after five years	—	¥425,000	¥520,911	¥945,911

Securities

1. Available-for-sale securities

As of March 31, 2018	Millions of yen			
	Items	Amount recorded on the consolidated balance sheet	Acquisition cost	Difference
Securities for which the amount recorded on the consolidated balance sheet exceeds the acquisition cost	Stock	¥41,823	¥22,462	¥19,361
Securities for which the amount recorded on the consolidated balance sheet does not exceed the acquisition cost	Stock	1,833	2,058	(225)
Total		¥43,657	¥24,521	¥19,135

As of March 31, 2019	Millions of yen			
	Items	Amount recorded on the consolidated balance sheet	Acquisition cost	Difference
Securities for which the amount recorded on the consolidated balance sheet exceeds the acquisition cost	Stock	¥27,114	¥12,598	¥14,515
Securities for which the amount recorded on the consolidated balance sheet does not exceed the acquisition cost	Stock	5,684	6,233	(549)
Total		¥32,799	¥18,832	¥13,966

2. Available-for-sale securities sold in the fiscal year

Year ended March 31, 2018	Millions of yen		
	Proceeds from sales	Gain on sales	Loss on sales
Stock	¥1,038	¥229	—

Year ended March 31, 2019	Millions of yen		
	Proceeds from sales	Gain on sales	Loss on sales
Stock	¥7,476	¥1,999	¥211

Derivatives Transactions

1. Derivatives transactions not subject to hedge accounting

(1) Currencies

As of March 31, 2018	Instrument	Millions of yen				
		Contract value, etc.	Fair value	Valuation gain/loss	Calculation of fair value	
		Total value	Portion over one year			
Transactions other than market transactions	Foreign exchange forward contracts, long positions	¥246	—	¥(0)	¥(0)	According to the forward exchange rate

As of March 31, 2019	Instrument	Millions of yen				
		Contract value, etc.	Fair value	Valuation gain/loss	Calculation of fair value	
		Total value	Portion over one year			
Transactions other than market transactions	Foreign exchange forward contracts, short positions	¥15	—	¥0	¥0	According to the forward exchange rate

2. Derivatives transactions subject to hedge accounting

As of March 31, 2018	Hedging method	Instrument	Target	Millions of yen			
				Contract value, etc.	Fair value	Calculation of fair value	
				Total value	Portion over one year		
		Foreign exchange forward contracts	Foreign-currency-denominated receivables and payables	¥1,751	—	¥(48)	According to the forward exchange rate
General settlement method		Interest rate swaps pay fixed/receive floating	Loans	295,967	¥278,232	(14,082)	According to the price, etc. specified by the transacting financial institution
		Interest rate collar transactions		18,653	17,599	(1,061)	
		Commodity swaps pay fixed/receive floating	Commodity	19,631	—	808	
Special interest rate swaps		Interest rate swaps pay fixed/receive floating	Loans	261,897	258,556	*	—
Total				¥597,901	¥554,388	¥(14,384)	

* Transactions subject to special interest rate swaps are settled as a combined sum with the long-term loans being hedged so the fair value is included in the fair value of the long-term loans in question.

As of March 31, 2019

Millions of yen

Hedging method	Instrument	Target	Contract value, etc.		Fair value	Calculation of fair value
			Total value	Portion over one year		
	Foreign exchange forward contracts	Foreign-currency-denominated receivables and payables	¥3,037	¥1,338	¥(46)	According to the forward exchange rate
General settlement method	Interest rate swaps pay fixed/receive floating	Loans	305,670	289,070	(9,514)	According to the price, etc. specified by the transacting financial institution
	Interest rate collar transactions		17,358	16,319	(599)	
	Commodity swaps pay fixed/receive floating	Commodity	31,560	—	(3,949)	
Special interest rate swaps	Interest rate swaps pay fixed/receive floating	Loans	258,556	221,414	*	—
Total			¥616,183	¥528,143	¥(14,109)	

* Transactions subject to special interest rate swaps are settled as a combined sum with the long-term loans being hedged so the fair value is included in the fair value of the long-term loans in question.

Employee Retirement Benefit Plans

1. Summary of employee retirement benefit plans adopted

The Company and some of its domestic consolidated subsidiaries have adopted funded type defined benefit corporate pension plans and unfunded lump-sum retirement benefit plans and both use a point system where retirement allowance points, which become the basis for calculating payment amounts, are accumulated.

Defined benefit corporate pension plans (which are all funded types) provide annuities and lump sums based on calculations using accumulated points and the number of years served, etc. The Company has adopted a quasi-cash balance plan for its

defined benefit corporate pension plan and annuity amounts fluctuate depending on the market interest rate.

Lump-sum retirement benefit plans (which is unfunded, but some have become a funded type plan as a result of setting a retirement benefit trust) supplies lump sums based on accumulated points and length of employment. Also, when an employee retires, there are cases when premium severance payments are made that are not in the scope of retirement benefit obligations calculated following retirement benefit accounting.

2. Defined benefit plans (excluding plans using a simplified method)

(1) The changes in the retirement benefit obligations during the year

Year ended March 31	Millions of yen	
	2018	2019
Balance at the beginning of the year	¥151,906	¥152,032
Service cost	6,252	6,386
Interest cost	839	706
Incurred actuarial gain or loss	283	2,295
Retirement benefit payments	(7,254)	(7,871)
Other	4	(0)
Balance at the end of the year	¥152,032	¥153,547

(2) The changes in the plan assets during the year

Year ended March 31	Millions of yen	
	2018	2019
Balance at the beginning of the year	¥93,828	¥96,855
Expected return on plan assets	2,729	2,756
Incurred actuarial gain or loss	2,022	(1,765)
Funding by the Company and its subsidiaries	2,377	2,366
Retirement benefit payments	(4,103)	(4,457)
Balance at the end of the year	¥96,855	¥95,756

(3) The table set forth the funded status of the plans and the amounts recognized in the consolidated balance sheet for the Company's and the consolidated subsidiaries' defined benefit plans

As of March 31	Millions of yen	
	2018	2019
Retirement benefit obligations of funded type plans	¥143,338	¥144,998
Plan assets	(96,855)	(95,756)
	46,483	49,241
Retirement benefit obligations of unfunded type plans	8,693	8,549
Net amount of liabilities and assets on the consolidated balance sheet	55,176	57,790
Net defined benefit liability	55,176	57,790
Net amount of liabilities and assets on the consolidated balance sheet	¥55,176	¥57,790

(4) Retirement benefit expenses

Year ended March 31	Millions of yen	
	2018	2019
Service cost	¥6,164	¥6,276
Interest cost	825	691
Expected return on plan assets	(2,626)	(2,708)
Amortization of actuarial gain or loss	120	(1,332)
Other	111	47
Retirement benefit expenses regarding defined benefit plans	¥4,595	¥2,975

(5) Remeasurements of defined benefit plans, net of tax

A breakdown of remeasurements of defined benefit plans (before tax effect) is as follows:

Year ended March 31	Millions of yen	
	2018	2019
Actuarial gain or loss	¥1,859	¥(5,392)
Total	¥1,859	¥(5,392)

(6) Remeasurements of defined benefit plans

A breakdown of remeasurements of defined benefit plans in accumulated other comprehensive income (before tax effect) is as follows:

As of March 31	Millions of yen	
	2018	2019
Unrecognized actuarial gain or loss	¥(1,245)	¥4,150
Total	¥(1,245)	¥4,150

(7) Plan assets

a. A breakdown of plan assets

Proportion of each type of asset is as follows:

As of March 31	2018		2019	
Bonds	25%		24%	
Stocks	33%		32%	
General accounts	37%		37%	
Other	5%		7%	
Total	100%		100%	

b. Long-term expected rate of return

In order to set long-term expected rate of return for plan assets, the current and expected allocation of plan assets and the current and future expected long-term return ratios for the various assets that compose the plan assets are taken into consideration.

(8) The actuarial assumptions

Main actuarial assumptions at the end of the fiscal year (presented in weighted average)

Year ended March 31	2018	2019
Discount rate	0.5%	0.3%
Long-term expected rate of return on plan assets	2.9%	2.9%
Expected rate of increase in salary	3.6%	3.7%

Income Taxes**1. The significant components of deferred tax assets and liabilities**

As of March 31	Millions of yen	
	2018	2019
Deferred tax assets		
Net defined benefit liability	¥17,235	¥17,970
Unrealized gain on noncurrent assets	13,243	13,933
Net operating loss carryforwards for tax purpose (Note 2)	8,733	10,995
Excess of depreciation of noncurrent assets	4,839	4,487
Amount assigned for bonuses, etc. but not yet paid	2,307	2,231
Excess of amortization of deferred assets for tax purposes	681	757
Other	33,741	36,861
Subtotal of deferred tax assets	80,783	87,237
Valuation allowance for net operating loss carryforwards for tax purpose	—	(2,441)
Valuation allowance for deductible temporary difference and others	—	(10,545)
Subtotal of valuation allowance	(13,788)	(12,986)
Total deferred tax assets	66,994	74,251
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(5,141)	(4,080)
Other	(36,452)	(36,304)
Total deferred tax liabilities	(41,593)	(40,384)
Net deferred tax assets	¥25,400	¥33,866

(Note) 1. In the previous fiscal year, "Net operating loss carryforwards for tax purpose" was included in "Other" but it was presented separately in the current fiscal year due to increased importance. To reflect this change in presentation, the breakdown for the previous fiscal year was reclassified.

As a result, 42,474 million yen presented as "Other" in the previous fiscal year was reclassified as 8,733 million yen of "Net operating loss carryforwards for tax purpose" and 33,741 million yen of "Other."

2. Amounts of net operating loss carryforwards for tax purpose and associated deferred tax assets by expiry date are as follows:

As of March 31, 2019	Millions of yen		
	Net operating loss carryforwards for tax purpose (a)	Valuation allowance	Deferred tax assets
One year or less	¥591	¥(591)	—
Over one year to two years	234	(205)	¥29
Over two years to three years	192	(129)	62
Over three years to four years	323	(289)	33
Over four years to five years	1,219	(158)	1,060
Over five years	8,433	(1,065)	7,367
Total	¥10,995	¥(2,441)	(b) ¥8,554

(a) Amount of net operating loss carryforwards for tax purpose is the amount multiplied by statutory tax rate.

(b) 8,554 million yen of deferred tax assets is recognized associated with 10,995 million yen of net operating loss carryforwards for tax purpose which is multiplied by statutory tax rate. 8,554 million yen of deferred tax assets is recognized at consolidated subsidiaries as a part of 10,995 million yen of the balance of net operating loss carryforwards for tax purpose which is multiplied by statutory tax rate. The net operating loss carryforwards for tax purpose which was recognized as deferred tax assets is concluded recoverable based on expected future taxable income.

2. The reconciliation between the effective tax rates reflected in the consolidated statement of income and the statutory tax rate

As of March 31	2018	2019
Statutory tax rate	28.24%	28.00%
(adjusted)		
Non-taxable profit such as dividends income	(9.72)%	(8.90)%
Investment profit/loss based on the equity method	(2.77)%	(3.95)%
Tax credits	(2.01)%	(1.45)%
Withholding taxes in foreign countries	1.04%	4.14%
Downward adjustment of deferred tax liabilities due to change in tax rate in the United States	(3.86)%	—
Other	5.66%	1.42%
Effective tax rates	16.58%	19.26%

(Note) In the previous fiscal year, "Withholding taxes in foreign countries" were included in "Other" but it was presented separately from the current fiscal year due to increased importance. In the previous fiscal year, "Retained earnings of overseas subsidiaries, etc." was presented separately but it was included in "Other" in the current fiscal year due to diminished importance. To reflect these changes in presentation, the breakdown for the previous fiscal year was reclassified.

As a result, 2.29% presented as "Retained earnings of overseas subsidiaries, etc." and 4.41% presented as "Other" in the previous fiscal year were reclassified into 1.04% as "Withholding taxes in foreign countries" and 5.66% as "Other".

Asset Retirement Obligations

Asset retirement obligations recorded on the consolidated balance sheet

(1) Overview of the asset retirement obligations

This represents restoration obligations due to real estate lease agreements relating to noncurrent assets of electric utility plant and equipment, and due to power purchase agreements in overseas business.

(2) Method of calculating amount of asset retirement obligations

The amount of asset retirement obligations is calculated by using expected period of use of 0 to 50 years from the acquisition and discounting with discount rates between (0.1)% and 5.0%.

(3) Increase/decrease of the asset retirement obligations

Year ended March 31	Millions of yen	
	2018	2019
Balance at the beginning of the year	¥12,564	¥28,826
Liabilities incurred due to the acquisition of property, plant and equipment	2,574	624
Accretion expense	408	305
Increase due to estimate change	13,888	644
Liabilities settled	(583)	(475)
Other	(26)	(532)
Balance at the end of the year	¥28,826	¥29,391

Segment Information, etc.

(Segment Information)

1. Overview of reportable segment

The Company's reportable segments are those for which separate financial information for each structural unit is available and are subject to be regularly reviewed by the Board of Directors to determine the distribution of management resources and evaluate performance.

The J-POWER Group is comprised of J-POWER (parent company), 71 subsidiaries and 113 affiliates (as of March 31, 2019), of which the core business is generating business utilizing power plants owned by J-POWER group companies including hydroelectric, thermal and wind. Through the parent company's power transmission and transforming facilities the Group also engages in

transmission business, providing transmission services to nine transmission and distribution companies, excluding The Okinawa Electric Power Company. The J-POWER Group's business is separated into 4 reportable segments of "Electric Power Business" conducted by the parent company, subsidiaries and affiliates; "Electric Power Related Business" that complements and contributes to the smooth and efficient implementation of the electric power business; "Overseas Business" that engages in overseas power generation business and businesses related to this; and "Other Business" which consists of various business activities including the sale of coal that fully utilizes the Group's management resources and know-how.

2. Method of calculating amount in sales, income or loss, assets and other items in reportable segments

The method of accounting for the reportable segments is the same as that stated in "Summary of Significant Accounting Policies." The income of reportable segments is calculated on the

basis of ordinary income. Intersegment internal revenues and transferred amounts are based on current market prices.

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

For the year ended March 31, 2018	Reportable segments					Adjustments *1	Consolidated *2
	Electric power	Electric power related	Overseas	Other	Total		
Sales							
Sales to external customers	¥631,923	¥36,934	¥163,084	¥24,309	¥856,252	—	¥856,252
Intersegment sales and transfer	1,792	375,799	—	2,948	380,539	¥(380,539)	—
Total sales	633,715	412,734	163,084	27,258	1,236,792	(380,539)	856,252
Segment income	39,561	23,098	40,528	1,258	104,446	(1,970)	102,476
Segment assets	1,895,862	265,830	637,741	17,979	2,817,413	(170,359)	2,647,054
Other items							
Depreciation and amortization	60,606	5,786	17,443	282	84,118	(1,819)	82,298
Interest income	118	314	885	68	1,387	(99)	1,287
Interest expenses	14,178	133	14,083	92	28,487	(99)	28,387
Equity income of affiliates	178	—	9,543	—	9,721	—	9,721
Investment in affiliates	17,473	—	164,667	—	182,140	—	182,140
Increase in tangible and intangible noncurrent assets	¥100,129	¥3,639	¥5,018	¥346	¥109,134	¥(10,417)	¥98,716

(Notes) 1. The breakdown of adjustments is as follows:

- (1) The adjustment amount of (1,970) million yen in segment income includes elimination of transaction amounts between segments of (1,996) million yen.
- (2) The adjustment amount of (170,359) million yen in segment assets includes elimination of (154,665) million yen for the offsetting of receivables.
- (3) The adjustment amount of (1,819) million yen in depreciation and amortization includes elimination of transaction amounts between segments of (1,768) million yen.
- (4) The adjustment amounts for interest income, interest expenses, and increase in tangible and intangible noncurrent assets are amounts eliminated as transactions between segments.

2. Segment income is adjusted with ordinary income on consolidated financial statements.

For the year ended March 31, 2019	Reportable segments					Adjustments *1	Consolidated *2
	Electric power	Electric power related	Overseas	Other	Total		
Sales							
Sales to external customers	¥693,790	¥35,518	¥141,024	¥27,032	¥897,366	—	¥897,366
Intersegment sales and transfer	1,859	419,835	—	3,330	425,026	¥(425,026)	—
Total sales	695,650	455,354	141,024	30,363	1,322,393	(425,026)	897,366
Segment income	14,995	26,468	29,284	1,388	72,136	(3,597)	68,539
Segment assets	2,006,157	275,549	657,109	18,244	2,957,061	(190,881)	2,766,179
Other items							
Depreciation and amortization	58,413	5,579	17,527	303	81,824	(1,845)	79,979
Interest income	106	385	907	65	1,464	(107)	1,357
Interest expenses	13,125	102	13,168	88	26,484	(107)	26,377
Equity income of affiliates	(1,383)	—	11,041	—	9,657	—	9,657
Investment in affiliates	30,475	—	218,709	—	249,184	—	249,184
Increase in tangible and intangible noncurrent assets	¥99,924	¥4,850	¥4,711	¥700	¥110,187	¥(2,406)	¥107,780

(Notes) 1. The breakdown of adjustments is as follows:

- (1) The adjustment amount of (3,597) million yen in segment income includes elimination of transaction amounts between segments of (3,623) million yen.
- (2) The adjustment amount of (190,881) million yen in segment assets includes elimination of (174,309) million yen for the offsetting of receivables.
- (3) The adjustment amount of (1,845) million yen in depreciation and amortization includes elimination of transaction amounts between segments of (1,805) million yen.
- (4) The adjustment amounts for interest income, interest expenses, and increase in tangible and intangible noncurrent assets are amounts eliminated as transactions between segments.

2. Segment income is adjusted with ordinary income on consolidated financial statements.

(Related information)

For the year ended March 31, 2018

1. Information by products and services

The information is omitted as similar information is disclosed in segment information.

2. Regional information

(1) Operating revenue

				Millions of yen
	Japan	Thailand	Other	Total
Operating revenue	¥660,245	¥162,318	¥33,688	¥856,252

(Note) Sales are classified by countries or regions based on locations of customers.

(2) Tangible noncurrent assets

				Millions of yen
	Japan	Thailand	Other	Total
Tangible noncurrent assets	¥1,469,711	¥322,002	¥29,397	¥1,821,111

3. Sales to main customers

			Millions of yen
	Amount of sales	Related segment	
Electricity Generating Authority of Thailand (EGAT)	¥150,935	Overseas business	
The Chugoku Electric Power Company, Incorporated	132,024	Electric power business	
The Kansai Electric Power Company, Incorporated	100,471	Electric power business	
TEPCO Energy Partner, Incorporated	¥99,071	Electric power business	

For the year ended March 31, 2019

1. Information by products and services

The information is omitted as similar information is disclosed in segment information.

2. Regional information

(1) Operating revenue

				Millions of yen
	Japan	Thailand	Other	Total
Operating revenue	¥722,752	¥140,477	¥34,136	¥897,366

(Note) Sales are classified by countries or regions based on locations of customers.

(2) Tangible noncurrent assets

				Millions of yen
	Japan	Thailand	Other	Total
Tangible noncurrent assets	¥1,506,454	¥306,384	¥32,469	¥1,845,309

3. Sales to main customers

			Millions of yen
	Amount of sales	Related segment	
The Chugoku Electric Power Company, Incorporated	¥131,549	Electric power business	
Electricity Generating Authority of Thailand (EGAT)	127,474	Overseas business	
The Kansai Electric Power Company, Incorporated	105,309	Electric power business	
TEPCO Energy Partner, Incorporated	¥103,374	Electric power business	

(Impairment loss on noncurrent assets by reportable segments)**For the year ended March 31, 2018**

	Millions of yen				
	Electric power	Electric power related	Overseas	Other	Total
Impairment loss	¥3,034	¥27	—	¥327	¥3,389

For the year ended March 31, 2019

	Millions of yen				
	Electric power	Electric power related	Overseas	Other	Total
Impairment loss	¥631	¥0	—	—	¥632

(Information about amortization and balance of goodwill by reportable segments)**For the year ended March 31, 2018**

Not applicable.

For the year ended March 31, 2019

Not applicable.

(Information about gain on negative goodwill by reportable segments)**For the year ended March 31, 2018**

Not applicable.

For the year ended March 31, 2019

Not applicable.

Related Party Information**1. Summary of financial information of important affiliates****For the year ended March 31, 2018**

Type	Affiliate
Company name	PT. BHIMASENA POWER INDONESIA
Location	Jakarta, Indonesia
Capital or contribution (Millions of U.S. dollars)	10
Business description	Thermal power business
Ownership of voting rights (%)	Direct 34.0
Relationship with related party	Guarantee of loan / Interlocking directors
Transaction	Guarantee of loan ^{*1} , ^{*2}
Amount of transaction (Millions of yen)	32,040
Account name	—
Balance at the end of current period (Millions of yen)	—

*1 The consumption taxes are not included in the amount stated above.

*2. Terms and conditions, and policy for determining terms and conditions

The Company executes guarantees of loans from financial institutions.

The Company executes guarantees of loans for the letters of guarantee of power sales agreements of financial institutions.

For the year ended March 31, 2019

Type	Affiliate
Company name	PT. BHIMASENA POWER INDONESIA
Location	Jakarta, Indonesia
Capital or contribution (Millions of U.S. dollars)	10
Business description	Thermal power business
Ownership of voting rights (%)	Direct 34.0
Relationship with related party	Guarantee of loan / Interlocking directors
Transaction	Guarantee of loan ^{*1, *2}
Amount of transaction (Millions of yen)	33,473
Account name	—
Balance at the end of current period (Millions of yen)	—

*1. The consumption taxes are not included in the amount stated above.

*2. Terms and conditions, and policy for determining terms and conditions

The Company executes guarantees of loans from financial institutions.

The Company executes guarantees of loans for the letters of guarantee of power sales agreements of financial institutions.

Per Share Information

Year ended March 31	Yen	
	2018	2019
Net assets per share	¥4,300.98	¥4,356.54
Earnings per share	¥373.93	¥252.68

(Notes) 1. Since there were no potential shares such as bonds with subscription right to shares, diluted earnings per share is not indicated.

2. The basis of calculation of earnings per share is shown below.

Year ended March 31		2018	2019
Profit attributable to owners of parent	Millions of yen	¥68,448	¥46,252
Amount not attributable to ordinary shareholders	Millions of yen	—	—
Profit attributable to owners of parent related to common stock	Millions of yen	¥68,448	¥46,252
Weighted average number of common stock outstanding during the year	Thousands of shares	183,049	183,049

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

As of March 31		2018	2019
Total net assets	Millions of yen	¥836,124	¥845,582
Amount deducted from total net assets	Millions of yen	¥48,833	¥48,123
(non-controlling interests included in the above)		(¥48,833)	(¥48,123)
Year-end net assets related to common stock	Millions of yen	¥787,291	¥797,459
The number of common stock used in the calculation of net assets per share	Thousands of shares	183,049	183,048

Significant Subsequent Events

(Conclusion of an absorption-type company split agreement related to the split of transmission and transformation section)

(1) Purpose of the conclusion of an absorption-type company split agreement

The Company plans to spin off its transmission and transformation section in order to respond to the legal requirement which Electricity Utilities Business Law stipulates the Company to separate its transmission business to secure further neutrality of transmission and transformation operations. As a preparation for the split of transmission and transformation section, the Company established

Electric Power Development Electricity Transmission Business Division Co., Ltd. (hereafter "the succeeding company") on April 1, 2019, a wholly owned subsidiary of the Company.

The Company entered into an absorption-type company split agreement with the succeeding company, which takes effect on April 1, 2020, to transfer the transmission and transformation business to the succeeding company.

(2) Overview of the company split**a. Schedule of the company split**

Resolution by board of directors of the Company	April 26, 2019
Decision by a director of the succeeding company	April 26, 2019
Conclusion of the agreement	April 26, 2019
Approval on general meeting of shareholders of the succeeding company	May 24, 2019
Effective date of the absorption-type company split	April 1, 2020 (Scheduled)

(Note) This absorption-type company split is executed without approval on general meeting of shareholders of the Company as it falls under the simplified absorption-type company split stipulated in Article 784, Paragraph 2 of the Company Act.

b. Type of the reorganization

An absorption-type company split between the Company as a splitting company and its wholly owned subsidiary, Electric Power Development Electricity Transmission Business Division Co., Ltd., as a succeeding company.

c. Allotment in the company split

The succeeding company will issue 374,900 common stocks, all of which will be allocated to the Company.

d. Handling of subscription rights to shares and bonds with subscription right to shares

The Company has not issued subscription rights to shares or bonds with subscription right to shares.

e. Capital stock due to change with the company split

Capital stock of the Company will remain unchanged.

f. Succession of rights and obligations

The succeeding company will succeed rights and obligations accompanying with the Company's transmission business on the effective date of the company split in accordance with the provisions set forth in the absorption-type company split agreement concluded on April 26, 2019.

Obligations will be assumed by the succeeding company without recourse to the Company.

g. Prospect on fulfilment of obligations

The Company as well as the succeeding company has determined to be capable of fulfilling the obligations with no difficulties after the company split as neither of the companies are expected to hold liabilities in excess of assets and there presently expected no events in the business activities of the companies that may hinder fulfillment of obligations.

(3) Profiles of the parties of the company split**a. Splitting company (As of March 31, 2019)**

Company name	Electric Power Development Co., Ltd.
Address	15-1, Ginza 6-Chome, Chuo-ku, Tokyo
Representative	Representative Director, President & CEO Toshifumi Watanabe
Business	Electric power business, etc.
Fiscal year-end	March 31
Capital stock (Millions of yen)	¥180,502
Total assets (Millions of yen)	¥2,211,815
Net assets (Millions of yen)	¥622,277

b. Succeeding company (As of April 1, 2019)

Company name	Electric Power Development Electricity Transmission Business Division Co., Ltd.
Address	15-1, Ginza 6-Chome, Chuo-ku, Tokyo
Representative	Director Ryou Suzuki
Business	Transmission business, etc. (No business is conducted prior to the company split)
Fiscal year-end	March 31
Capital stock (Millions of yen)	¥5
Total assets (Millions of yen)	¥10
Net assets (Millions of yen)	¥10

(4) Overview of the business to be split or succeeded

a. Business of the section to be split or succeeded

Transmission business, etc.

b. Operating results of the section to be split or succeeded

Business to be split	Operating revenue of the business to be split for the year ended March 31, 2019 (Millions of yen) (a)	Non-consolidated operating revenue of the Company for the year ended March 31, 2019 (Millions of yen) (b)	Ratio (%) (a/b)
Transmission business	¥49,497	¥646,958	7.7

(5) Situation after the company split (As of April 1, 2020) (Scheduled)

a. Splitting company

Company name	Electric Power Development Co., Ltd.
Address	15-1, Ginza 6-Chome, Chuo-ku, Tokyo
Representative	Representative Director, President & CEO Toshifumi Watanabe
Business	Electric power business, etc.
Capital stock (Millions of yen)	¥180,502

b. Succeeding company

Company name	J-POWER Transmission Network Co., Ltd.
Address	15-1, Ginza 6-Chome, Chuo-ku, Tokyo
Representative	To be determined
Business	Transmission business, etc.
Capital stock (Millions of yen)	¥16,000

(Note) The company name is scheduled to be changed from current Electric Power Development Electricity Transmission Business Division Co., Ltd. on April 1, 2020.

(Jackson Gas-fired Thermal Power Project in the United States)

The meeting of the Board of Directors of the Company held June 26, 2019 resolved to construct Jackson Gas-fired Thermal Power Plant (wholly owned by the Company), near Chicago, Illinois, USA through J-POWER North America Holdings Co., Ltd. (wholly owned by the Company), a holding company for business in North America.

The power plant is a 1,200MW gas-fired combined cycle power plant which is composed of two sets of one gas turbine and one

steam turbine. All of the electricity generated will be sold at PJM market, a wholesale power market in the Northeastern United States. The commencement of the construction work is scheduled to be in June 2019, participation in the bids is scheduled to be in August 2019 or later, and commencement of commercial operation is scheduled to be in April 2022.

Schedule of Consolidated Financial Statements

Schedule of Bonds Payable

Electric Power Development Co., Ltd. straight bond

No.	Issued date	Balance as of Mar. 31, 2018	Balance as of Mar. 31, 2019	Interest rate	Secured/Unsecured	Term of redemption (lump-sum)
		Millions of yen	Millions of yen	%		
3	Mar. 2, 2004	¥10,000	¥10,000	2.010	Unsecured	Dec. 20, 2023
5	Nov. 2, 2004	10,000	10,000	2.240	Unsecured	Sep. 20, 2024
8	Feb. 24, 2005	20,000	20,000	2.110	Unsecured	Dec. 20, 2024
11	Jun. 7, 2005	20,000	20,000	2.050	Unsecured	Mar. 19, 2025
13	Jul. 22, 2005	20,000	20,000	2.040	Unsecured	Jun. 20, 2025
15	Oct. 20, 2005	20,000	20,000	2.110	Unsecured	Sep. 19, 2025
25	Mar. 12, 2009	20,000	—	1.610	Unsecured	Mar. 20, 2019
26	Mar. 12, 2009	14,991	14,992	2.220	Unsecured	Dec. 20, 2028
27	May 21, 2009	20,000	*1 20,000	1.608	Unsecured	May 20, 2019
28	Aug. 28, 2009	20,000	*1 20,000	1.474	Unsecured	Aug. 20, 2019
29	Nov. 30, 2009	20,000	*1 20,000	1.405	Unsecured	Nov. 20, 2019
30	May 20, 2010	20,000	20,000	1.394	Unsecured	May 20, 2020
31	Sep. 9, 2010	20,000	20,000	1.155	Unsecured	Sep. 18, 2020
32	Dec. 9, 2010	20,000	20,000	1.285	Unsecured	Dec. 18, 2020
33	Feb. 24, 2011	20,000	20,000	1.422	Unsecured	Feb. 19, 2021
35	Oct. 22, 2012	20,000	20,000	1.126	Unsecured	Oct. 20, 2022
36	May 30, 2013	20,000	—	0.717	Unsecured	May 18, 2018
37	Jul. 25, 2013	20,000	20,000	1.035	Unsecured	Jul. 20, 2021
38	Dec. 16, 2013	20,000	20,000	0.978	Unsecured	Dec. 20, 2023
39	Feb. 24, 2014	20,000	20,000	0.929	Unsecured	Feb. 20, 2024
40	Jun. 11, 2014	20,000	20,000	0.889	Unsecured	Jun. 20, 2024
41	Sep. 2, 2014	20,000	20,000	0.782	Unsecured	Aug. 20, 2024
42	Apr. 18, 2016	10,000	10,000	0.310	Unsecured	Apr. 20, 2026
43	Jun. 7, 2016	20,000	20,000	0.290	Unsecured	Jun. 19, 2026
44	Oct. 20, 2016	10,000	10,000	0.688	Unsecured	Oct. 20, 2036
45	Nov. 29, 2016	10,000	10,000	0.260	Unsecured	Nov. 20, 2026
46	Jan. 19, 2017	20,000	20,000	0.220	Unsecured	Jan. 19, 2024
47	Feb. 22, 2017	10,000	10,000	0.919	Unsecured	Feb. 20, 2037
48	Apr. 13, 2017	10,000	10,000	0.569	Unsecured	Apr. 20, 2032
49	May 18, 2017	20,000	20,000	0.400	Unsecured	May 20, 2027
50	Jul. 19, 2017	10,000	10,000	0.415	Unsecured	Jul. 20, 2027
51	Jul. 19, 2017	10,000	10,000	0.858	Unsecured	Jul. 17, 2037
52	Sep. 12, 2017	10,000	10,000	0.748	Unsecured	Sep. 18, 2037
53	Oct. 13, 2017	10,000	10,000	0.380	Unsecured	Oct. 20, 2027
54	Nov. 15, 2017	30,000	30,000	0.380	Unsecured	Nov. 19, 2027
55	May 23, 2018	—	20,000	0.375	Unsecured	May 19, 2028
56	May 23, 2018	—	10,000	0.540	Unsecured	May 20, 2033
57	Jul. 11, 2018	—	20,000	0.355	Unsecured	Jul. 20, 2028
58	Jul. 11, 2018	—	10,000	0.705	Unsecured	Jul. 20, 2038
59	Sep. 19, 2018	—	20,000	0.414	Unsecured	Sep. 20, 2028
60	Sep. 19, 2018	—	10,000	0.804	Unsecured	Sep. 20, 2038
61	Oct. 12, 2018	—	10,000	0.682	Unsecured	Oct. 20, 2033
62	Oct. 23, 2018	—	10,000	0.805	Unsecured	Oct. 20, 2036
63	Nov. 29, 2018	—	10,000	0.250	Unsecured	Nov. 20, 2025
Total		¥594,991	¥674,992	—	—	—

(Notes) 1. The balances as of March 31, 2019 regarding bonds No. 27, 28 and 29 are redeemable within one year.
2. The amounts redeemable within five years after March 31, 2019 are as follows;

	Millions of yen
Due in one year or less	¥60,000
Due after one year through two years	80,000
Due after two years through three years	20,000
Due after three years through four years	20,000
Due after four years through five years	¥70,000

Schedule of Loans, etc.

	Balance as of April 1, 2018	Balance as of Mar. 31, 2019	Average rate of interest	Repayment date
	Millions of yen	Millions of yen	%	
Long-term loans (excluding current portion)	¥875,043	¥852,269	1.655	From Apr. 1, 2020 To Mar. 31, 2037
Lease obligations (excluding current portion)	368	1,106	—	From Apr. 1, 2020 To Sep. 10, 2025
Current portion of long-term loans	73,892	98,837	1.236	—
Current portion of lease obligations	260	383	—	—
Short-term loans	16,803	15,278	0.174	—
Total	¥966,369	¥967,875	—	—

(Notes) 1. Average rate of interest is the weighted average rate of interest for loans as of March 31, 2019.
2. Average rate of interest for "Lease obligations (excluding current portion)" and "Current portion of lease obligations" is not presented as the amounts of lease obligations on the consolidated balance sheets include the interest portion.
3. Scheduled redemption amount of repayment of "Long-term loans (excluding current portion)" and "Lease obligations (excluding current portion)" within five years after March 31, 2019 are as follows;

	Millions of yen	
	Long-term loans	Lease obligations
Due after one year through two years	¥80,790	¥310
Due after two years through three years	66,309	263
Due after three years through four years	90,110	234
Due after four years through five years	¥94,147	¥295

Schedule of Asset Retirement Obligations

	Millions of yen			
	Balance as of April 1, 2018	Increase	Decrease	Balance as of March 31, 2019
Restoration obligations due to real estate lease agreement	¥15,188	¥721	¥(12)	¥15,896
Restoration obligation due to the electric power sales contract in overseas business	6,041	200	(70)	6,171
Other	¥7,596	¥693	¥(966)	¥7,323



Ernst & Young ShinNihon LLC
Hibiya Mitsui Tower, Tokyo Midtown Hibiya
1-1-2 Yurakucho, Chiyoda-ku
Tokyo 100-0006, Japan

Tel: +81 3 3503 1100
Fax: +81 3 3503 1197
ey.com

Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of Electric Power Development Co., Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

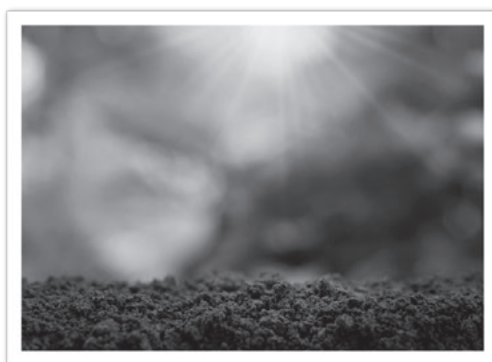
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Electric Power Development Co., Ltd. and its consolidated subsidiaries as at March 31, 2019, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Ernst & Young ShinNihon LLC

June 27, 2019
Tokyo, Japan



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

<http://www.jpower.co.jp/english/>