

Consolidated Financial Statements

**Electric Power Development Co., Ltd.
and Consolidated Subsidiaries**

*For the year ended March 31, 2022
with Independent Auditor's Report*

Consolidated Balance Sheet

As of March 31	Millions of yen	
	2021	2022
Assets		
Non-current assets	¥2,475,202	¥2,594,819
Electric utility plant and equipment	1,107,399 ^{1) 2) 8)}	1,076,948 ^{1) 2) 8)}
Hydroelectric power production facilities	356,513	360,084
Thermal power production facilities	422,645	401,071
Internal combustion engine power production facilities	1,460	1,198
Renewable power production facilities	84,040	76,556
Transmission facilities	145,989	144,458
Transformation facilities	31,743	30,236
Communication facilities	7,054	6,600
General facilities	57,952	56,742
Overseas business facilities	286,958 ^{2) 8)}	271,356 ^{2) 8)}
Other non-current assets	91,106 ^{1) 2)}	92,297 ^{1) 2)}
Construction in progress	588,222 ^{8) 10)}	676,596 ⁸⁾
Construction in progress	588,222	676,596
Nuclear fuel	75,359	75,806
Nuclear fuel in processing	75,359	75,806
Investments and other assets	326,156	401,813
Long-term investments	252,425 ^{3) 8) 10)}	323,770 ^{3) 8)}
Retirement benefit asset	87	241
Deferred tax assets	54,221	64,277
Other	19,521 ⁸⁾	13,642 ⁸⁾
Allowance for doubtful accounts	(99)	(118)
Current assets	366,757	471,357
Cash and deposits	189,842 ⁸⁾	223,072 ⁸⁾
Notes and accounts receivable-trade	66,140 ⁸⁾	-
Notes and accounts receivable-trade, and contract assets	-	80,439 ^{5) 8)}
Inventories	46,085 ⁴⁾	62,173 ⁴⁾
Other	65,042 ⁸⁾	105,674
Allowance for doubtful accounts	(352)	(3)
Total assets	¥2,841,960	¥3,066,176

As of March 31	Millions of yen	
	2021	2022
Liabilities		
Non-current liabilities	¥1,713,159	¥1,686,575
Bonds payable	654,994	706,484
Long-term loans payable	892,350 ⁸⁾	839,645 ⁸⁾
Lease obligations	2,484	2,239
Other provision	26 ⁷⁾	20 ⁷⁾
Net defined benefit liability	45,647	37,976
Asset retirement obligations	35,378	35,240
Deferred tax liabilities	15,403	16,808
Other	66,874	48,158
Current liabilities	275,115	415,496
Current portion of non-current liabilities	87,332 ⁸⁾	145,467 ⁸⁾
Short-term loans payable	8,947	8,149
Commercial papers	20,005	90,016
Notes and accounts payable-trade	23,625	44,651
Accrued taxes	43,865	18,276
Other provision	661 ⁷⁾	691 ⁷⁾
Asset retirement obligations	493	426
Other	90,185	107,817 ⁶⁾
Total liabilities	1,988,274	2,102,071
Net assets		
Shareholders' equity	814,772	870,826
Capital stock	180,502	180,502
Capital surplus	119,877	119,881
Retained earnings	514,401	570,452
Treasury stock	(8)	(9)
Accumulated other comprehensive income	(5,627)	45,203
Valuation difference on available-for-sale securities	11,156	14,014
Deferred gains or losses on hedges	(33,968)	(9,359)
Foreign currency translation adjustment	9,096	32,136
Remeasurements of defined benefit plans	8,088	8,411
Non-controlling interests	44,540	48,075
Total net assets	853,685	964,105
Total liabilities and net assets	¥2,841,960	¥3,066,176

Consolidated Statement of Income

	Millions of yen	
Year ended March 31	2021	2022
Operating revenue	¥909,144	¥1,084,621 ¹⁾
Electric utility operating revenue	731,302	876,431
Overseas business operating revenue	138,087	145,106
Other business operating revenue	39,754	63,083
Operating expenses	831,369 ^{2) 3)}	997,642 ^{2) 3)}
Electric utility operating expenses	675,837	824,491
Overseas business operating expenses	109,167	118,290
Other business operating expenses	46,364	54,860
Operating income	77,775	86,979
Non-operating income	11,214	22,508
Dividend income	2,839	1,862
Interest income	515	1,811
Share of profit of entities accounted for using equity method	2,759	14,228
Insurance claim income	2,202	2,366
Other	2,897	2,240
Non-operating expenses	28,086	36,641
Interest expenses	23,746	22,442
Foreign exchange losses	-	7,558
Other	4,340	6,639 ⁵⁾
Total ordinary revenue	920,359	1,107,130
Total ordinary expenses	859,456	1,034,283
Ordinary income	60,903	72,846
Extraordinary income	9,478	-
Gain on sale of shares of subsidiaries and associates	9,478 ⁴⁾	-
Extraordinary losses	5,706	-
Impairment losses	5,706 ⁵⁾	-
Profit before income taxes	64,674	72,846
Income taxes-current	35,451	14,581
Income taxes-deferred	(1,960)	(16,519)
Total income taxes	33,491	(1,938)
Profit	31,183	74,784
Profit attributable to non-controlling interests	8,879	5,097
Profit attributable to owners of parent	¥22,304	¥69,687

Consolidated Statement of Comprehensive Income

Year ended March 31	Millions of yen	
	2021	2022
Profit	¥31,183	¥74,784
Other comprehensive income		
Valuation difference on available-for-sale securities	5,163	2,946
Deferred gains or losses on hedges	(2,884)	20,655
Foreign currency translation adjustment	(11,868)	18,550
Remeasurements of defined benefit plans, net of tax	11,909	324
Share of other comprehensive income of entities accounted for using equity method	(13,873)	12,156
Total other comprehensive income	(11,553) ¹⁾	54,633 ¹⁾
Comprehensive income	19,629	129,418
(Comprehensive income attributable to)		
Owners of parent	15,110	120,517
Non-controlling interests	¥4,519	¥8,900

Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2021

	Millions of yen						
	Shareholders' equity					Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity		
Balance at the beginning of current year	¥180,502	¥119,877	¥505,825	¥(8)	¥806,197		
Cumulative effects of changes in accounting policies							-
Restated balance	180,502	119,877	505,825	(8)	806,197		
Changes during period							
Dividends of surplus			(13,728)		(13,728)		(13,728)
Profit attributable to owners of parent			22,304		22,304		22,304
Purchase of treasury shares				(0)	(0)		(0)
Change in ownership interest of parent due to transactions with non-controlling interests							-
Net changes of items other than shareholders' equity							-
Total changes of items during year	-	-	8,575	(0)	8,575		
Balance at the end of current year	¥180,502	¥119,877	¥514,401	¥(8)	¥814,772		

	Millions of yen						
	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current year	¥6,156	¥(23,263)	¥22,479	¥(3,806)	¥1,567	¥49,623	¥857,387
Cumulative effects of changes in accounting policies							-
Restated balance	6,156	(23,263)	22,479	(3,806)	1,567	49,623	857,387
Changes of items during year							
Dividends of surplus							(13,728)
Profit attributable to owners of parent							22,304
Purchase of treasury shares							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							-
Net changes of items other than shareholders' equity	5,000	(10,705)	(13,383)	11,894	(7,194)	(5,082)	(12,277)
Total changes of items during year	5,000	(10,705)	(13,383)	11,894	(7,194)	(5,082)	(3,701)
Balance at the end of current year	¥11,156	¥(33,968)	¥9,096	¥8,088	¥(5,627)	¥44,540	¥853,685

For the year ended March 31, 2022

	Millions of yen						
	Shareholders' equity					Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity		
Balance at the beginning of current year	¥180,502	¥119,877	¥514,401	¥(8)	¥814,772		
Cumulative effects of changes in accounting policies			92		92		
Restated balance	180,502	119,877	514,493	(8)	814,865		
Changes of items during year							
Dividends of surplus			(13,728)		(13,728)		(13,728)
Profit attributable to owners of parent			69,687		69,687		69,687
Purchase of treasury shares				(0)	(0)		(0)
Change in ownership interest of parent due to transactions with non-controlling interests		3			3		3
Net changes of items other than shareholders' equity							-
Total changes of items during year	-	3	55,958	(0)	55,961		
Balance at the end of current year	¥180,502	¥119,881	¥570,452	¥(9)	¥870,826		

	Millions of yen						
	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current year	¥11,156	¥(33,968)	¥9,096	¥8,088	¥(5,627)	¥44,540	¥853,685
Cumulative effects of changes in accounting policies						61	154
Restated balance	11,156	(33,968)	9,096	8,088	(5,627)	44,602	853,840
Changes of items during year							
Dividends of surplus							(13,728)
Profit attributable to owners of parent							69,687
Purchase of treasury shares							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							3
Net changes of items other than shareholders' equity	2,858	24,608	23,040	323	50,830	3,473	54,303
Total changes of items during year	2,858	24,608	23,040	323	50,830	3,473	110,265
Balance at the end of current year	¥14,014	¥(9,359)	¥32,136	¥8,411	¥45,203	¥48,075	¥964,105

Consolidated Statement of Cash Flows

Year ended March 31	Millions of yen	
	2021	2022
Cash flows from operating activities		
Profit before income taxes	¥64,674	¥72,846
Depreciation and amortization	96,445	96,997
Loss on retirement of non-current assets	4,945	4,828
Increase (decrease) in net defined benefit liability	2,036	(7,372)
Interest and dividend income	(3,354)	(3,673)
Interest expenses	23,746	22,442
Decrease (increase) in trade receivables	14,183	(10,283)
Decrease (increase) in inventories	4,411	(15,958)
Increase (decrease) in trade payables	(24)	12,182
Share of (profit) loss of entities accounted for using equity method	(2,759)	(14,228)
Loss (gain) on sale of shares of subsidiaries and associates	(9,478)	-
Other, net	(9,098)	21,913
Subtotal	185,729	179,694
Interest and dividend income received	18,506	15,576
Interest expenses paid	(23,163)	(21,537)
Income taxes paid	(13,113)	(45,353)
Net cash provided by (used in) operating activities	167,959	128,380
Cash flows from investing activities		
Purchase of non-current assets	(159,296)	(135,282)
Investments and loan advances	(2,567)	(49,740)
Collection of investment and loans receivable	21,378	4,744
Other, net	(2,788)	1,432
Net cash provided by (used in) investing activities	(143,274)	(178,846)
Cash flows from financing activities		
Proceeds from issuance of bonds	69,782	71,242
Redemption of bonds	(80,000)	(20,000)
Proceeds from long-term loans payable	106,706	49,155
Repayment of long-term loans payable	(79,265)	(65,311)
Proceeds from short-term loans payable	54,316	37,154
Repayment of short-term loans payable	(60,322)	(37,924)
Proceeds from issuance of commercial papers	20,007	140,033
Redemption of commercial papers	-	(70,000)
Cash dividends paid	(13,728)	(13,725)
Cash dividends paid to non-controlling interests	(9,527)	(5,918)
Other, net	(936)	(636)
Net cash provided by (used in) financing activities	7,031	84,070
Effect of exchange rate change on cash and cash equivalents	(3,667)	3,686
Net increase (decrease) in cash and cash equivalents	28,048	37,290
Cash and cash equivalents at the beginning of the year	157,212	185,260
Cash and cash equivalents at the end of the year	¥185,260 ¹⁾	¥222,551 ¹⁾

Notes to Consolidated Financial Statements

For the years ended March 31, 2021 and 2022

Summary of Significant Accounting Policies

1. Scope of consolidation

Number of consolidated subsidiaries: 72

The accompanying consolidated financial statements include the accounts of Electric Power Development Co., Ltd. (the "Company") and its 72 subsidiaries controlled directly or indirectly by the Company.

In this fiscal year, Esashi Green Energy Co., Ltd., which was established in June 2021, Ishikari Green Energy Co., Ltd., which was established in June 2021, and Gulf JP1 Co., Ltd., which was established in August 2021, have been included in the scope of consolidation.

Yamaguchi-Ube Power Generation Co., Ltd. has been excluded from the scope of consolidation due to completion of liquidation in February 2022.

The consolidated subsidiary J-POWER Business Service Corporation has merged with the consolidated subsidiary J-POWER RESOURCES Co., Ltd. in October 2021, the Company has merged with the consolidated subsidiary J-POWER SUPPLY & TRADING Co., Ltd. in December 2021.

2. Application of equity method

Number of companies accounted for by the equity method: 90

In this fiscal year, Akita Mirai Energy LLC., which was established in April 2021, and Yurihonjo Mirai Energy LLC., which was established in April 2022, were included in the scope of affiliates accounted for 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 accounting by the equity method.

For the companies accounted for by the equity method and have reporting dates that differ from that of the Company, financial statements as of their respective reporting dates are used.

3. Reporting dates of consolidated subsidiaries, etc.

All of the consolidated subsidiaries, except for J-POWER AUSTRALIA PTY. LTD. and 39 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 39 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 end and that of the Company.

4. Accounting policies

(1) Valuation policies for assets

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

Securities except for no quoted market prices are stated at market value on the balance sheet date. Cost of securities sold is determined by the moving average method. Unrealized gain (loss) on available-for-sale securities is included in net assets. No quoted market prices 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 (carrying amounts 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 non-current 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 trade receivables 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 through 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 expenses were incurred.

(5) Standards for recognition of significant revenue and expenses

The Group is mainly engaged in the sale and transmission of electricity in Japan and the sale of electricity overseas. When there is more than one performance obligation in a contract, the transaction price is allocated to each performance obligation by the ratio of the stand-alone selling price.

The stand-alone selling price is calculated based on the approach of adding a margin to the expected cost. The consideration for transactions is generally received in stages in accordance with the performance obligation's progress pursuant to the terms of the contract and does not include a significant financing component.

a. Electricity sales

Revenue from electricity sales consist primarily of electricity sales generated by the Group's power generation facilities or procured from the wholesale electricity market, etc. and the Group has performance obligations to supply electricity and to maintain the availability of its power generation facilities based on contracts with customers. The electricity sales are transactions in which the performance obligations are satisfied over a certain period of time, and revenue is recognized based on the degree of progress in satisfying the performance

obligations. For meter rates, since the Group determines that it satisfies the relevant performance obligation in accordance with the amount of electricity supplied, the progress is estimated using the amount of electricity supplied as an indicator. For basic rates, since the Group determines that it satisfies the relevant performance obligation by maintaining operational facilities on a daily basis, the progress is estimated using the elapsed time as an indicator.

b. Electricity Transmission

Revenue related to the electricity transmission is from the transmission of electricity by transmission and transformation facilities owned by consolidated subsidiary, and the Group has a performance obligation to maintain the availability of transmission and transformation facilities based on commissions from customers. The electricity transmission is a transaction in which the performance obligation is satisfied over a certain period of time, and revenue is recognized based on the degree of progress in satisfying the performance obligation. Since the Group determines that it satisfies the performance obligation by maintaining operational facilities on a daily basis, the progress is estimated using the elapsed time as an indicator.

(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 hedge items

Hedging instruments	Hedged items
Foreign exchange forward contracts and 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 and 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 cash flow of hedged items. 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 statement 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.

Significant Accounting Estimates

(Valuation of Construction in Progress)

(1) Amount recorded in the consolidated financial statements for the current fiscal year

As of March 31	Millions of yen	
	2021	2022
Construction in progress	¥588,222	¥676,596

(2) Information on the details of significant accounting estimates for identified items

Construction in progress in the amount of 676,596 million yen was recorded on the Company's consolidated balance sheet as of March 31, 2022 and included therein was construction in progress related to the Ohma Nuclear Power Plant Project.

As the construction process of the Ohma Nuclear Power Plant Project has been extended, the Company has therefore reviewed construction in progress related to the Ohma Nuclear Power Plant Project. As a result of the evaluation based on certain assumptions related to future sales revenue, additional construction costs, and operating costs of the power plant, the total undiscounted future cash flows exceeded the carrying amount, and therefore, no loss was recognized.

The assumptions used in the valuation may change in the event of any unforeseen circumstances.

(Recoverability of Deferred Tax Assets)

(1) Amount recorded in the consolidated financial statements for the current fiscal year

As of March 31	Millions of yen	
	2021	2022
Deferred tax assets	¥54,221	¥64,277

(2) Information on the details of significant accounting estimates for identified items

Deferred tax assets in the amount of 64,277 million yen were recorded on the Company's consolidated balance sheet as of March 31, 2022.

The deferred tax assets are recorded at the recoverable amount based on the best estimates of future taxable income in accordance with the Group's business plans. The estimates were made based on information available at the time of preparation of the consolidated financial statements, taking into consideration key assumptions such as future electricity sales volume, fuel prices and electricity market prices.

Unforeseeable factors or changes could affect the judgment of the recoverable amount of deferred tax assets.

Changes in Accounting Policies

(Application of the Revenue Recognition Accounting Standard, etc.)

"Accounting Standard for Revenue Recognition" ((ASBJ Statement No. 29, March 31, 2020), hereinafter "Revenue Recognition Standard") has been adopted from the beginning of the current fiscal year, and revenue is recognized in the amount expected to be received in exchange for applicable goods or services when control of the promised good or service is transferred to the customer. For some transactions, the Company previously recognized the total amount of consideration received from customers as revenue. As a result of the said change, however, for transactions in which the Group's role in providing goods or services to customers is that of an agent, the Company has changed to a method of recognizing revenue at the net amount, which is the amount received from customers less the amount paid to suppliers.

The Revenue Recognition Standard has been applied effective from the beginning of the current fiscal year in accordance with the transitional treatment prescribed in Paragraph 84 of the Accounting Standard for Revenue Recognition, and the cumulative effects of retroactively applying new accounting policies have been reflected in

the beginning balance of retained earnings for the current fiscal year.

In addition, in the consolidated balance sheet for the prior fiscal year, “notes and accounts receivable-trade” presented in current assets are presented as “notes and accounts receivable-trade and contract assets” from the current fiscal year. However, in accordance with the transitional treatment provided for in Paragraph 89-2 of the Revenue Recognition Standard, no reclassification has been made for the previous fiscal year using the new presentation method.

The effect of this on the consolidated financial statements is immaterial.

The effects of this change on per share amounts are disclosed in the applicable notes.

In accordance with the transitional treatment provided for in Paragraph 89-3 of the Revenue Recognition Standard, notes related to revenue recognition for the prior fiscal year are omitted.

(Application of Accounting Standard for Fair Value Measurement, etc.)

“Accounting Standard for Fair Value Measurement” ((ASBJ Statement No. 30, July 4, 2019), hereinafter “Fair Value Measurement Standard”) has been adopted from the beginning of the current fiscal year, and new accounting policies prescribed by the Fair Value Measurement Standard will be adopted prospectively in accordance with the transitional treatment prescribed in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). Previously, bonds, for which fair value was extremely difficult to determine, were recorded on the consolidated balance sheets at cost, but now, even when observable inputs are not available, the fair value calculated using unobservable inputs based on the best available information is used as the consolidated balance sheet value. In addition, notes regarding the breakdown of fair value of financial instruments by level are included in the note, “Financial Instruments”. However, notes for the prior fiscal year have not been included in accordance with the transitional treatment prescribed in Paragraph 7-4 of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, July 4, 2019).

Changes in Presentation

(Consolidated Statement of Cash Flows)

The "Impairment loss," which was presented as a separate line item in "Cash flows from operating activities" in the previous fiscal year, has been included in "Other, net" from the current fiscal year because it has become immaterial. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, "Impairment loss" of 5,706 million yen and "Other, net" of (14,805) million yen presented in "Cash flows from operating activities" in the consolidated statements of cash flows for the previous fiscal year have been reclassified as "Other, net" of (9,098) million yen.

Consolidated Balance Sheet

1) Construction grants, which were deducted from the cost of non-current assets (accumulated)

	Millions of yen	
As of March 31	2021	2022
	¥116,223	¥115,621

2) Accumulated depreciation of tangible assets

	Millions of yen	
As of March 31	2021	2022
	¥3,132,164	¥3,196,683

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

As of March 31	Millions of yen	
	2021	2022
Stocks	¥192,992	¥238,870

4) Inventories

As of March 31	Millions of yen	
	2021	2022
Merchandise and finished goods	¥1,429	¥1,671
Work in process	934	1,497
Raw materials and supplies	¥43,722	¥59,004

5) Receivables and contract assets arising from contracts with customers in notes and accounts receivable-trade, and contract assets

As of March 31	Millions of yen	
	2021	2022
Notes receivable-trade		¥18
Accounts receivable-trade		76,506
Contract assets		¥3,900

6) Contract liabilities in other

As of March 31	Millions of yen	
	2021	2022
Contract liabilities		¥218

7) Provisions

As of March 31	2021	2022
Provisions for directors' bonuses stated by subsidiaries are included in other provision		Provisions for directors' bonuses stated by subsidiaries are included in other provision

8) Pledged assets and secured liabilities

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

As of March 31	Millions of yen	
	2021	2022
Long-term investments	¥7,025	¥40,078

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

As of March 31	Millions of yen	
	2021	2022
Overseas business facilities	¥268,539	¥253,988
Construction in progress	96,730	142,677
Cash and deposits	31,635	33,731
Notes and accounts receivable-trade, and contract assets	-	4,115
Electric utility plant and equipment	2,001	1,578
Other (Investments and other assets)	6,634	¥1,564
Notes and accounts receivable-trade	257	-
Other (Current assets)	¥224	-

Liabilities related to pledged assets mentioned above

As of March 31	Millions of yen	
	2021	2022
Long-term loans (including current portion)	¥292,124	¥293,418

9) Contingent liabilities**(1) Guarantees**

As of March 31	Millions of yen	
	2021	2022
Guarantees given to certain financial institutions for loans of companies below:		
Yuzawa Geothermal Power Generation Corporation	¥2,438	¥2,250
SAHARA COOLING Ltd.	202	206
Appi Geothermal Energy Corporation	108	171
PT. BHIMASENA POWER INDONESIA	30,754	-
Guarantees given in connection with housing loans for employees	375	327
Total	¥33,877	¥2,955

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

As of March 31	Millions of yen	
	2021	2022
PT. BHIMASENA POWER INDONESIA	¥2,634	¥2,912

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

As of March 31	Millions of yen	
	2021	2022
J-Wind Co., Ltd.	¥5,238	¥9,900
J-Wind KAMINOKUNI., Ltd.	¥2,366	2,366
Esashi Green Energy Co., Ltd.	-	¥180

- (4) Guarantees given for payment obligations on thermal power plant main equipment purchase agreements of the company below:

	Millions of yen	
As of March 31	2021	2022
Jackson Generation, LLC	¥4,886	¥2,349

- (5) Guarantees given to certain banks for letters of credit on grid connection construction cost of the company below:

	Millions of yen	
As of March 31	2021	2022
Jackson Generation, LLC	¥10,934	¥2,715
AP Solar 4, LLC	-	¥2,521
AP Solar 6, LLC	¥1,801	-

The amount above shows the maximum amount of guarantee

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

	Millions of yen	
As of March 31	2021	2022
Biocoal Kumamoto-South Co., Ltd.	¥23	¥20

- (7) Guarantees given for contractual obligations to the transferee of the share transfer agreement of the company below:

	Millions of yen	
As of March 31	2021	2022
J-Power Investment Netherlands B.V.	¥635	¥367

The amount above shows the maximum amount of guarantee

- (8) Commitment for additional investment and/or loan with regard to loan agreement of the company below:

	Millions of yen	
As of March 31	2021	2022
Triton Knoll Offshore Wind Farm Ltd.	¥11,834	¥2,645

The amounts above show the maximum amount of commitment

- (9) Guarantees given for performance guarantee of the order obligation below:

	Millions of yen	
As of March 31	2021	2022
Consulting services related to construction of the Turga Pumped Storage Project, India	-	¥236

10) Spread of COVID-19 infection

For the year ended March 31, 2021

The Group is promoting power plant construction projects in the US, UK, and Indonesia. Although the spread of COVID-19 infection is affecting the power plant construction projects in these countries, the impact has been limited and there have been no significant events affecting the financial position of the Group.

For the year ended March 31, 2022

Not applicable.

Consolidated Statement of Income**1) Revenue from contracts with customers**

Regarding operating revenue, revenue from contracts with customers and other revenue are not stated separately. The amount of revenue from contracts with customers is stated in "Revenue Recognition" (1) Disaggregated revenue from contracts with customers in the Consolidated Financial Statements.

2) A breakdown of electric utility operating expenses

Year ended March 31	Millions of yen			
	2021		2022	
Category	Electric utility operating expenses	Selling, general and administrative expenses*	Electric utility operating expenses	Selling, general and administrative expenses*
Personnel expenses	¥34,985	¥22,869	¥25,114	¥13,763
Fuel cost	197,952	-	303,761	-
Repair expenses	48,648	1,371	57,788	1,471
Consignment cost	48,192	16,017	50,069	15,848
Taxes and duties	24,486	874	27,100	880
Depreciation and amortization cost	71,853	2,706	72,829	2,819
Research expenses	13,802	13,802	6,744	6,744
Other	235,915	8,504	281,082	9,082
Total	¥675,837	¥66,146	¥824,491	¥50,610

*Included in electric utility operating expenses

3) Research and development costs included in operating expenses

Year ended March 31	Millions of yen	
	2021	2022
	¥15,630	¥8,592

4) Gain on sale of shares of subsidiaries and associates

For the year ended March 31, 2021

In November 2020, the Company sold all of its shares in Chiahui Power Corporation, which was an affiliate accounted for by the equity method, to Asia Cement Corporation, and recorded a gain on sale of shares of subsidiaries and associates of 9,478 million yen in extraordinary income.

For the year ended March 31, 2022

Not applicable.

5) Impairment loss

For the year ended March 31, 2021

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 or site, and overseas business facilities and other non-current 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 carrying amount 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 5,706 million yen was recognized under extraordinary losses.

The main component of impairment loss is as follows:

Use and location	Classification	Millions of yen
		Amount
The former seawater pumped storage power test facility (the Company, Kunigami village, Kunigami District, Okinawa)	Non-operating facilities	¥2,990
Nishiokinoyama Power Plant (tentative name) installation plan (Yamaguchi-Ube Power Generation Co., Ltd., Ube city, Yamaguchi)	Construction in progress and others	¥1,576

(Calculation of the recoverable amount)

Future recoverable amount of certain asset groups was recorded at the value in use and the former seawater pumped storage power test facility has been valued at its memorandum value as its recoverability is not recognized. Nishiokinoyama Power Plant (tentative name) installation plan was valued at its memorandum value due to the cancellation of the project.

The recoverable amount of idle assets and other 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, 2022

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 or site, and overseas business facilities and other non-current 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 carrying amount 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 889 million yen was recognized in "other" under "non-operating expenses," which consists of 694 million yen for land and 195 million yen for buildings and structures.

The recoverable amount is measured by value in use or net selling value. Of such idle assets, land is measured by net selling value, assets held for sale are measured by the relevant estimated selling value, and other assets

are valued based on valuations reflecting market prices. For some buildings and structures, the recoverable amount was measured by the value in use, and as the recoverability was not recognized, they were valued at memorandum value.

Consolidated Statement of Comprehensive Income

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

Year ended March 31	Millions of yen	
	2021	2022
Valuation difference on available-for-sale securities		
Amount accrued for the current year	¥6,991	¥4,021
Reclassification adjustment	(63)	72
Amount before tax effect	6,927	4,093
Tax effect	(1,764)	(1,147)
Valuation difference on available-for-sale securities	5,163	2,946
Deferred gains or losses on hedges		
Amount accrued for the current year	(11,179)	40,945
Reclassification adjustment	7,748	(15,859)
Adjusted acquisition cost of assets	421	880
Amount before tax effect	(3,009)	25,966
Tax effect	124	(5,310)
Deferred gains or losses on hedges	(2,884)	20,655
Foreign currency translation adjustment		
Amount accrued for the current year	(11,868)	18,550
Remeasurements of defined benefit plans, net of tax		
Amount accrued for the current year	13,026	7,958
Reclassification adjustment	3,572	(7,505)
Amount before tax effect	16,598	453
Tax effect	(4,689)	(128)
Remeasurements of defined benefit plans, net of tax	11,909	324
Share of other comprehensive income of entities accounted for using equity method		
Amount accrued for the current year	(11,277)	15,018
Reclassification adjustment	(2,595)	(2,861)
Share of other comprehensive income of entities accounted for using equity method	(13,873)	12,156
Other comprehensive income	¥(11,553)	¥54,633

Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2021

1. Shares issued

Type	As of April 1, 2020	Increase	Decrease	As of March 31, 2021
Common stock	183,051,100	-	-	183,051,100

2. Treasury stock

Type	As of April 1, 2020	Increase	Decrease	As of March 31, 2021
Treasury stock	2,441	300	-	2,741

(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: 300 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 25, 2020)	Common stock	¥7,321	¥40	March 31, 2020	June 26, 2020
Board of Directors (October 30, 2020)	Common stock	¥6,406	¥35	September 30, 2020	November 27, 2020

(2) Dividends with the cut-off date in the year ended March 31, 2021 and the effective date in the year ended March 31, 2022

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 25, 2021)	Common stock	Retained earnings	¥7,321	¥40	March 31, 2021	June 28, 2021

(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, 2022

1. Shares issued

Type	As of April 1, 2021	Increase	Decrease	As of March 31, 2022
Common stock	183,051,100	-	-	183,051,100

2. Treasury stock

Type	As of April 1, 2021	Increase	Decrease	Shares As of March 31, 2022
Treasury stock	2,741	230	-	2,971

(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: 230 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 25, 2021)	Common stock	¥7,321	¥40	March 31, 2021	June 28, 2021
Board of Directors (October 29, 2021)	Common stock	¥6,406	¥35	September 30, 2021	November 30, 2021

(2) Dividends with the cut-off date in the year ended March 31, 2022 and the effective date in the year ending March 31, 2023

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 28, 2022)	Common stock	Retained earnings	¥7,321	¥40	March 31, 2022	June 29, 2022

(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	
	2021	2022
Cash and deposits account	¥189,842	¥223,072
Time deposits with a maturity of more than three months	(4,582)	(521)
Cash and cash equivalents	¥185,260	¥222,551

Financial Instruments

1. Status of financial instruments

(1) Policy for financial instruments

The Group 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.

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 27 years at the longest after the fiscal year 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 and commodity options 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 instruments, hedged items, hedging policies and evaluation of hedged 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 and some of its consolidated subsidiaries engage in commodity swaps and commodity options 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**

Calculation of fair value of financial instruments incorporates factors that fluctuate so values may fluctuate with the employment of different underlying assumptions and other factors. Moreover, contract value, etc. 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, 2022, 64% of the operating receivables are from former 10 electric power companies (EPCOs) and 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.

As of March 31, 2021	Millions of yen		
	Carrying value	Fair value	Difference
(1) Investment securities			
Available-for-sale securities *2*3	¥28,249	¥28,249	-
Total assets	28,249	28,249	-
(2) Bonds payable *4	674,994	694,258	¥(19,264)
(3) Long-term loans payable *4	957,307	974,424	(17,117)
Total liabilities	1,632,301	1,668,683	¥(36,382)
(4) Derivatives transactions *5			
Transactions not subject to hedge accounting	3,285	3,285	-
Transactions subject to hedge accounting	(29,833)	(29,833)	-
Total derivatives transactions	¥(26,547)	¥(26,547)	-

*1 “Cash and deposit,” “Notes and accounts receivable-trade,” “Short-term loans payable,” and “Notes and accounts payable-trade,” are omitted because these are cash items and their fair values approximate their carrying values due to their short maturities.

*2 Amounts of financial instruments recorded on the consolidated balance sheet for which it is extremely difficult to determine fair values

As of March 31, 2021	Millions of yen
Category	
Unlisted shares (excluding share sold on the OTC market)	¥7,981
Unlisted foreign shares	263
Capital contribution	1,709
Foreign capital contribution	11,707
Bonds	¥110

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 “(1) Investment securities, Available-for-sale securities.” Shares of non-consolidated subsidiaries and affiliates are not stated since they are included in “Consolidated Balance Sheet” under “Notes to Consolidated Financial Statements.”

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

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

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

As of March 31, 2022	Millions of yen		
	Carrying value	Fair value	Difference
(1) Investment securities			
Available-for-sale securities *2*3	¥32,537	¥32,537	-
Total assets	32,537	32,537	-
(2) Bonds payable *4	726,484	732,374	¥(5,889)
(3) Long-term loans payable *4	958,495	966,267	(7,772)
Total liabilities	1,684,979	1,698,641	¥(13,661)
(4) Derivatives transactions *5			
Transactions not subject to hedge accounting	1,564	1,564	-
Transactions subject to hedge accounting	(4,357)	(4,357)	-
Total derivatives transactions	¥(2,792)	¥(2,792)	-

*1 “Cash and deposit,” “notes and accounts receivable-trade, and contract assets,” “Short-term loans payable,” and “Notes and accounts payable-trade,” are omitted because these are cash items and their fair values approximate their carrying values due to their short maturities.

*2 Amounts of the consolidated balance sheet for no quoted market prices

As of March 31, 2022	Millions of yen
Category	
Unlisted shares (excluding share sold on the OTC market)	¥7,832
Unlisted foreign shares	273
Capital contribution	1,836
Foreign capital contribution	¥13,485

The above are not included in “(1) Investment securities, Available-for-sale securities.” Shares of non-consolidated subsidiaries and affiliates are not stated since they are included in “Consolidated Balance Sheet” under “Notes to Consolidated Financial Statements.”

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

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

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

(Note 1) Redemption schedule for receivables and securities with maturities after the end of the fiscal year
As of March 31, 2021

	Millions of yen			
	Investment securities Available- for-sale securities with maturities	Cash and deposits *	Notes and accounts receivable- trade	Total
Due in one year or less	¥110	¥189,842	¥66,140	¥256,092
Due after one year through five years	-	-	-	-
Due after five years through 10 years	-	-	-	-
Due after 10 years	-	-	-	-

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

As of March 31, 2022

	Millions of yen			
	Investment securities Available- for-sale securities with maturities	Cash and deposits *	Notes and accounts receivable- Trade, and contract assets	Total
Due in one year or less	-	¥223,072	¥80,439	¥303,512
Due after one year through five years	¥113	-	-	¥113
Due after five years through 10 years	-	-	-	-
Due after 10 years	-	-	-	-

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

(Note 2) Bonds, long-term loans payable, and other interest-bearing debt scheduled for repayment after the end of fiscal year

As of March 31, 2021	Millions of yen			
	Bonds payable	Long-term loans payable	Short-term loans payable	Total
Due in one year or less	¥20,000	¥64,956	¥8,947	¥93,903
Due after one year through two years	20,000	117,935	-	137,935
Due after two years through three years	70,000	129,097	-	199,097
Due after three years through four years	90,000	79,403	-	169,403
Due after four years through five years	70,000	78,368	-	148,368
Due after five years	¥405,000	¥487,545	-	¥892,545

As of March 31, 2022	Millions of yen			
	Bonds payable	Long-term loans payable	Short-term loans payable	Total
Due in one year or less	¥20,000	¥118,849	¥8,149	¥146,998
Due after one year through two years	70,000	132,195	-	202,195
Due after two years through three years	90,000	100,184	-	190,184
Due after three years through four years	70,000	81,269	-	151,269
Due after four years through five years	40,000	93,295	-	133,295
Due after five years	¥436,490	¥432,699	-	¥869,189

3. Breakdown of fair value of financial instruments by level

Fair values of financial instruments are categorized into three levels as described below on the basis of the observability and the materiality of the inputs used in the fair value measurement.

Level 1: Fair values measured using quoted prices of identical assets or liabilities in active markets among observable valuation inputs

Level 2: Fair values measured using inputs other than inputs included within Level 1 among observable valuation inputs

Level 3: Fair values measured using unobservable valuation inputs

When several inputs that have significant impact on fair value measurement are used and those inputs are categorized into different levels, the fair value is categorized into the lowest hierarchy level for fair value measurement among those in which each of the inputs belongs.

(1) Financial instruments measured at fair value

As of March 31, 2022		Fair value			Millions of yen
Category	Level 1	Level 2	Level 3	Total	
a. Investment securities					
Available-for-sale securities					
Stock	¥32,423	-	-	¥32,423	
Bonds	-	¥113	-	113	
Total assets	¥32,423	113	-	32,537	
b. Derivatives transactions					
Transactions not subject to hedge accounting	-	-	¥1,564	1,564	
Transactions subject to hedge accounting	-	(4,357)	-	(4,357)	
Total derivatives transactions	-	¥(4,357)	¥1,564	¥(2,792)	

(2) Financial instruments other than those measured at fair value

As of March 31, 2022		Fair value			Millions of yen
Category	Level 1	Level 2	Level 3	Total	
c. Bonds payable	-	¥732,374	-	¥732,374	
d. Long-term loans payable	-	966,267	-	966,267	
Total liabilities	-	¥1,698,641	-	¥1,698,641	

(Note 1) Description of valuation techniques used to measure fair value and inputs related to fair value measurement

a. Investment securities

Fair values of listed stocks are determined by using quoted prices. Fair values of listed stocks are categorized as Level 1 since they are traded in active markets. On the other hand, the fair values of bonds held by the Company are calculated using the discounted present value method based on the total amount of principal and interest, remaining maturity, and interest rates taking into account credit risk, and are categorized as Level 2.

b. Derivative transactions

The fair values of interest rate swaps, forward foreign exchange contracts and commodity swaps are based on observable inputs such as exchange rates and prices quoted by counterparty financial institutions and are categorized as Level 2. When significant unobservable inputs are used, the fair value is categorized as Level 3, and commodity option transactions fall under this category. The fair values of transactions subject to special accounting treatment of interest rate swaps is included in the fair value of long-term loans payable, as they are accounted for as an integral part of the hedged long-term loans payable.

c. Bonds payable

The fair values of bonds payable issued by the Group are calculated using the discounted present value method based on the total amount of principal and interest, remaining maturity, and interest rates taking into account credit risk, and are categorized as Level 2.

d. Long-term loans payable

The fair values of long-term loans payable are calculated by discounting the total amount of principal and interest, or for transactions subject to special accounting treatment of interest rate swaps, the total amount of principal and interest accounted for together with the interest rate swaps, by the interest rate assumed when a new similar borrowing is made, and are categorized as Level 2.

(Note 2) Information on Level 3 fair values of financial instruments that are recorded at fair value on the consolidated balance sheets

(1) Quantitative information on significant unobservable inputs

As of March 31, 2022			
Category	Valuation technique	Significant unobservable inputs	Range of Inputs
Derivative transactions			
Commodity options	Discounted cash flow (DCF) method	Volatility (%)	28.8

(2) Reconciliation of opening and closing balance; valuation gains and losses recognized in profit or loss for the period

Category	As of March 31, 2022	
	Millions of yen	
	Derivatives transactions	Commodity options
Balance at the beginning of the year		¥3,285
Profit or loss or other comprehensive income for the period		-
Recognized in profit or loss (*)		(2,087)
Recognized in other comprehensive income		-
Purchase, sale, issuance, and settlement		-
Transfer to Level 3 of fair value hierarchy		-
Transfer from Level 3 of fair value hierarchy		-
Others		365
Balance at the end of the year		1,564
Unrealized gains (losses) on financial assets and liabilities held at the end of the period recognized in profit or loss for the period*		¥(2,087)

*Consists of "Others" in "Non-operating expenses" under consolidated statement of income

(3) Description of the fair value valuation process

The Risk Management Division has established policies and procedures for the calculation of fair values of financial instruments and calculates them accordingly. The calculated fair values are compared to quoted market prices obtained from third parties to ensure the appropriateness of valuation techniques, inputs, and financial instruments. The fair values are calculated using valuation models that most appropriately reflect the nature, characteristics, and risks of each underlying financial instrument, and are regularly reviewed and verified by a third-party institution. The valuation of financial instruments is calculated, verified, and reported every quarter by the Risk Management Division to ensure the appropriateness of the policies and procedures for calculating fair value.

In cases where quoted market prices obtained from third parties are used, the appropriateness of the prices is verified through appropriate methods such as confirmation of the valuation techniques and inputs used

and comparison with the fair values of similar financial instruments.

(4) Description of the effect of changes in significant unobservable inputs on fair value

The main significant unobservable input is volatility, and a significant increase (decrease) in volatility would result in a significant increase (decrease) in fair value.

Securities

1. Available-for-sale securities

As of March 31, 2021		Millions of yen		
Category	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	¥27,903	¥15,790	¥12,112
Securities for which the amount recorded on the consolidated balance sheet does not exceed the acquisition cost	Stock	345	354	(8)
Total		¥28,249	¥16,145	¥12,103

As of March 31, 2022		Millions of yen		
Category	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	¥30,638	¥15,810	¥14,828
	Bonds	113	110	3
Subtotal		30,752	15,920	14,832
Securities for which the amount recorded on the consolidated balance sheet does not exceed the acquisition cost	Stock	1,785	2,087	(302)
Subtotal		1,785	2,087	(302)
Total		¥32,537	¥18,007	¥14,529

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

Year ended March 31, 2021		Millions of yen		
	Proceeds from sales	Gain on sales	Loss on sales	
Stock	¥668	¥108		¥44

Year ended March 31, 2022		Millions of yen		
	Proceeds from sales	Gain on sales	Loss on sales	
Stock	¥282	-		¥72

Derivatives Transactions

1. Derivatives transactions not subject to hedge accounting

(1) Commodities

As of March 31, 2021		Millions of yen			
Category	Instrument	Contract value, etc.		Fair value	Valuation gain/loss
		Total value	Portion over one year		
Transactions other than market transactions	Options, short positions	¥6,479	¥6,479	¥3,285	¥(3,193)

As of March 31, 2022		Millions of yen			
Category	Instrument	Contract value, etc.		Fair value	Valuation gain/loss
		Total value	Portion over one year		
Transactions other than market transactions	Options, short positions	¥7,200	¥7,200	¥1,564	¥(5,635)

2. Derivatives transactions subject to hedge accounting

As of March 31, 2021			Millions of yen		
Hedging method	Instrument	Target	Contract value, etc.		Fair value
			Total value	Portion over one year	
General settlement method	Foreign exchange forward contracts	Foreign-currency-denominated receivables and payables	¥4,114	¥1,707	¥179
	Interest rate swaps pay/fixed receive/floating	Loans	317,748	268,703	(32,152)
	Interest rate collar transactions		7,081	-	(78)
	Commodity swaps pay/fixed receive/floating	Commodity	11,053	-	2,218
Special interest rate swaps	Interest rate swaps pay/fixed receive/floating	Loans	189,488	171,010	*
Total			¥529,485	¥441,421	¥(29,833)

* 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, 2022			Millions of yen		
Hedging method	Instrument	Target	Contract value, etc.		Fair value
			Total value	Portion over one year	
	Foreign exchange forward contracts	Foreign-currency-denominated receivables and payables	¥4,701	-	¥145
General settlement method	Interest rate swaps pay/fixed receive/floating	Loans	285,878	256,320	(19,783)
	Commodity swaps pay/fixed receive/floating	Commodity	26,156	-	15,280
Special interest rate swaps	Interest rate swaps pay/fixed receive/floating	Loans	171,010	133,865	*
Total			¥487,745	¥390,186	¥(4,357)

* 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.

Note: Among the above hedge relationships, the exceptional treatment prescribed in the "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ Practical Issues Task Force (PITF) Report No. 40, March 17, 2022) is applied to all hedge relationships included in the scope of application of the said report. The details of the hedge relationships to which the said report is applied are as follows:

Method of hedge accounting: Deferral hedge accounting is applied. In addition, the special accounting treatment of interest rate swaps is applied when the conditions for the special accounting treatment are met.

Hedging instrument: Interest rate swaps

Hedged items: Principal and interest payments on loans payable

Type of hedging transactions: Fixing cash flows

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	
	2021	2022
Balance at the beginning of the year	¥150,938	¥146,384
Service cost	6,306	6,038
Interest cost	422	672
Incurred actuarial gain or loss	(3,024)	(5,709)
Retirement benefit payments	(7,812)	(4,702)
Past service cost	(437)	(50)
Other	(8)	(0)
Balance at the end of the year	¥146,384	¥142,632

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

Year ended March 31	Millions of yen	
	2021	2022
Balance at the beginning of the year	¥90,818	¥100,824
Expected return on plan assets	2,888	2,985
Incurred actuarial gain or loss	9,564	2,239
Funding by the Company and its subsidiaries	2,435	2,732
Retirement benefit payments	(4,882)	(3,884)
Balance at the end of the year	¥100,824	¥104,897

(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	
	2021	2022
Retirement benefit obligations of funded type plans	¥137,827	¥133,978
Plan assets	(100,824)	(104,897)
	37,003	29,081
Retirement benefit obligations of unfunded type plans	8,556	8,653
Net amount of liabilities and assets on the consolidated balance sheet	45,560	37,734
Retirement benefit liability	45,647	37,976
Retirement benefit asset	(87)	241
Net amount of liabilities and assets on the consolidated balance sheet	¥45,560	¥37,734

(4) Retirement benefit expenses

	Millions of yen	
Year ended March 31	2021	2022
Service cost	¥5,923	¥5,854
Interest cost	414	666
Expected return on plan assets	(2,553)	(2,833)
Amortization of actuarial gain or loss	3,585	7,279
Amortization of past service cost	(18)	(223)
Other	115	12
Retirement benefit expenses regarding defined benefit plans	¥7,467	¥(3,803)

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

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

	Millions of yen	
Year ended March 31	2021	2022
Past service cost	¥419	¥(173)
Actuarial gain or loss	16,179	626
Total	¥16,598	¥453

(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:

	Millions of yen	
As of March 31	2021	2022
Unrecognized past service cost	¥(419)	¥(245)
Unrecognized actuarial gain or loss	(10,887)	(11,514)
Total	¥(11,307)	¥(11,760)

(7) Plan assets**a. A breakdown of plan assets**

Proportion of each type of asset is as follows:

As of March 31	2021	2022
Bonds	20%	21%
Stocks	31%	31%
General accounts	37%	35%
Other	12%	13%
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	2021	2022
Discount rate	0.5%	0.7%
Long-term expected rate of return on plan assets	2.9%	2.9%
Expected rate of increase in salary	3.6%	3.6%

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

As of March 31	Millions of yen	
	2021	2022
Deferred tax assets		
Net operating loss carryforwards for tax purposes (Note 2)	¥27,184	¥26,432
Unrealized gain on non-current assets	15,059	15,751
Net defined benefit liability	14,550	12,379
Excess of depreciation of non-current assets	6,851	6,462
Amount assigned for bonuses, etc. but not yet paid	2,250	2,389
Excess of amortization of deferred assets for tax purposes	1,024	1,039
Other	44,383	43,314
Subtotal of deferred tax assets	111,305	107,768
Valuation allowance for net operating loss carryforwards for tax purposes (Note 2)	(20,714)	(2,254)
Valuation allowance for deductible temporary difference and others	(13,520)	(11,465)
Subtotal of valuation allowance (Note 1)	(34,234)	(13,720)
Total deferred tax assets	77,071	94,048
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(3,736)	(4,884)
Other	(34,515)	(41,695)
Total deferred tax liabilities	(38,252)	(46,579)
Net deferred tax assets	¥38,818	¥47,468

(Note) 1 The amount of valuation allowance decreased by 20,514 million yen. The decrease was mainly because a valuation allowance of 18,200 million yen related to the loss carried forward for tax purposes, which was assumed by the Company as a result of its absorption of J-POWER SUPPLY & TRADING Co., Ltd., a former consolidated subsidiary, was reduced as a result of a review of the recoverability of deferred tax assets.

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

As of March 31, 2021

Millions of yen

	Net operating loss carryforwards for tax purposes (a)	Valuation allowance	Deferred tax assets
One year or less	¥67	¥(23)	¥43
Over one year to two years	253	(152)	101
Over two years to three years	936	(94)	842
Over three years to four years	258	(224)	33
Over four years to five years	216	(181)	35
Over five years	25,452	(20,038)	5,414
Total	¥27,184	¥(20,714)	(b) ¥6,470

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

(b) 6,470 million yen of deferred tax assets is recognized associated with 27,184 million yen of net operating loss carryforwards for tax purposes which is multiplied by statutory tax rate. 6,470 million yen of deferred tax assets is recognized at consolidated subsidiaries as a part of 27,184 million yen of the balance of net operating loss carryforwards for tax purposes which is multiplied by statutory tax rate. The net operating loss carryforwards for tax purposes which was recognized as deferred tax assets is concluded recoverable based on expected future taxable income.

As of March 31, 2022

Millions of yen

	Net operating loss carryforwards for tax purposes (c)	Valuation allowance	Deferred tax assets
One year or less	¥231	¥(156)	¥74
Over one year to two years	933	(94)	839
Over two years to three years	222	(199)	22
Over three years to four years	151	(150)	1
Over four years to five years	232	(231)	0
Over five years	24,661	(1,422)	23,238
Total	¥26,432	¥(2,254)	(d) ¥24,178

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

(d) 24,178 million yen of deferred tax assets is recognized associated with 26,432 million yen of net operating loss carryforwards for tax purposes which is multiplied by statutory tax rate. 24,178 million yen of deferred tax assets is recognized at the Company and consolidated subsidiaries as a part of 26,432 million yen of the balance of net operating loss carryforwards for tax purposes which is multiplied by statutory tax rate. The net operating loss carryforwards for tax purposes 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	2021	2022
Statutory tax rate	28.00%	28.00%
(adjusted)		
Valuation allowance	32.21%	(25.79)%
Share of loss (profit) of entities accounted for using equity method	(1.19)%	(5.47)%
Non-taxable income such as dividend income	(14.62)%	(3.61)%
Withholding taxes in foreign countries	3.05%	3.62%
Other	4.33%	0.59%
Effective tax rates	51.78%	(2.66)%

(Note) "Share of loss (profit) of entities accounted for using equity method" that were previously included in "Other" are shown separately from the current fiscal year as its importance has increased. In addition, "Non-deductible expenses such as donations" and "Tax credits" that was previously shown separately are included in "Other" from the current fiscal year as their importance have decreased. The breakdown of main items has been restated in order to reflect these changes.

As a result, 4.71% shown in "Non-deductible expenses such as donations", (2.09)% shown in "Tax credits" and 0.52% shown in "Other" in the previous fiscal year were restated as (1.19)% in "Share of loss (profit) of entities accounted for using equity method" and 4.33% in "Other".

3. Accounting for income taxes and local income taxes or tax effect accounting related to these taxes

The Company and some of its domestic consolidated subsidiaries applied for and received approval for adopting the group tax sharing system during the current fiscal year, and will shift from the unconsolidated tax payment system to the group tax sharing system from the following fiscal year.

Effective from the end of the current fiscal year, the Group has adopted the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF Report No. 42, August 12, 2021) for accounting treatment and disclosure of tax effect accounting related to income taxes and local income taxes.

Business Combinations

Transactions under common control

(Absorption-type merger of consolidated subsidiary)

(1) Outline of the transaction

(a) Overview of the companies involved in the merger

Surviving company

Name; Electric Power Development Co., Ltd.

Business activities;

Electricity power business, etc.

Disappeared company

Name;

J-POWER SUPPLY & TRADING Co., Ltd. (Wholly owned subsidiary of the Company, hereinafter, the "JPST")

Business activities;

Power supply business, etc.

(b) Date of business combination

December 1, 2021

(c) Legal form of the business combination

Absorption-type merger with the Company as the surviving company and JPST as the dissolving company

(d) Name of the company after the combination

Electric Power Development Co, Ltd.

(e) Other matters concerning the outline of the transaction

In the Group, the Company mainly sells part of the electricity generated by power plants on the Japan Electric Power Exchange (hereinafter referred to as "JEPX"), and JPST procured electricity from JEPX to sell to retailers. When the electricity price of JEPX soars like January 2021, the Company's sales revenue increases sharply, while JPST runs out of funds due to the rapid increase in electricity purchase costs from JEPX and will be difficult to continue business without financial support from the Company. By absorbing and merging JPST, the Company will take charge of the retail business directly, strengthening the cooperation between electric power generation and sales functions, improving business mobility and strengthening governance.

(2) Summary of accounting treatment

In accordance with the "Accounting Standard for Business Combinations" and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures, etc.", the transaction was treated as a transaction under common control.

(Absorption-type merger between consolidated subsidiaries)

(1) Outline of the transaction

(a) Overview of the companies involved in the merger

Surviving company

Name;

J-POWER Business Service Corporation (Wholly owned subsidiary of the Company)

Business activities;

Operation of welfare facilities; facility maintenance; business process outsourcing; development of computer software

Absorbed Company

Name;

J-POWER RESOURCES Co., Ltd. (Wholly owned subsidiary of the Company, hereafter, the "JPR")

Business activities;

Import, sales, and transportation of coal

(b) Date of business combination

October 1, 2021

(c) Legal form of the business combination

Absorption-type merger with J-POWER Business Service Corporation as the surviving company and JPR as the absorbed company

(d) Name of the company after the combination

J-POWER Business Service Corporation

(e) Other matters concerning the outline of the transaction

The main purpose is to stabilize JPR's business base through the company integration.

(2) Summary of accounting treatment

In accordance with the "Accounting Standard for Business Combinations" and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures, etc.", the transaction was treated as a transaction under common control.

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 non-current 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 2.4%.

(3) Increase/decrease of the asset retirement obligations

Year ended March 31	Millions of yen	
	2021	2022
Balance at the beginning of the year	¥31,263	¥35,871
Increase due to estimate change	257	302
Accretion expense	214	238
Liabilities incurred due to the acquisition of property, plant and equipment	980	9
Liabilities settled	(368)	(638)
Other	3,522	(116)
Balance at the end of the year	¥35,871	¥35,666

Revenue Recognition**(1) Disaggregated revenue from contracts with customers**

For the year ended March 31, 2022	Reportable segments				Total
	Electric power	Electric power related	Overseas	Other	
	Electricity sales	¥822,946	-	¥143,356	-
Transmission services	48,776	-	-	-	48,776
Other	1,632	¥44,604	1,750	¥18,321	66,308
Revenue from contracts with customers	873,354	44,604	145,106	18,321	1,081,387
Other income	3,077	54	-	102	3,234
Sales to external customers	¥876,431	¥44,659	¥145,106	¥18,424	¥1,084,621

(2) Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows generated from those contracts, and the amount and timing of revenue expected to be recognized in subsequent fiscal years from contracts with customers that existed at the end of the current fiscal year

Transaction price allocated to remaining performance obligations

The aggregate transaction price allocated to the remaining performance obligations and the expected period of revenue recognition are as follows.

The Group applies a practical expedient and does not include the transaction price related to remaining performance obligations for which revenue is recognized at the amount that the Group has the right to charge, such as in contracts with an initial expected term of one year or less and contracts that allow the Group to charge a fixed amount based on the time of services rendered.

As of March 31, 2022	Millions of yen
Less than 1 year	-
More than 1 year but less than 3 years	¥121,848
More than 3 years	43,713
Total	¥165,561

Segment Information, etc.

(Segment Information)

1. Overview of reportable segment

The Company's reportable segments consist of structural units for which separate financial information 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 Group is comprised of the Company (parent company), 72 subsidiaries and 106 affiliates (as of March 31, 2022), which is engaged in the power generation business utilizing power plants owned by the Group companies including hydroelectric, thermal and wind, and the sale of electricity procured from the wholesale power trading market. The group is also engaged in transmission business with power transmission and transformation facilities owned by a subsidiary, providing transmission services to nine transmission and distribution companies excluding The Okinawa Electric Power Company.

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

2. Method of calculating 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 revenue and transferred amounts are based on current market prices.

As described in "Changes in Accounting Policies," the Company has applied the Revenue Recognition Standard from the beginning of the current fiscal year and changed the accounting method for revenue recognition, and therefore, the profit and loss calculation method for the business segments has been changed in the same manner.

As a result of this change, compared with the previous method, net sales for the current fiscal year decreased by 302,444 million yen in the "electric power related business" ("intersegment sales or transfer") and by 2,413 million yen in the "other businesses" ("sales to external customers" and "intersegment sales or transfer").

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

For the year ended March 31, 2021

Millions of yen

	Reportable segments					Adjustments *1	Consolidated *2
	Electric power	Electric power related	Overseas	Other	Total		
Sales							
Sales to external customers	¥731,302	¥24,784	¥138,087	¥14,970	¥909,144	-	¥909,144
Intersegment sales and transfer	2,137	349,415	-	3,460	355,013	¥(355,013)	-
Total sales	733,440	374,199	138,087	18,430	1,264,158	(355,013)	909,144
Segment income	19,082	12,292	30,883	1,049	63,308	(2,405)	60,903
Segment assets	2,100,359	240,308	679,102	16,810	3,036,581	(194,621)	2,841,960
Other items							
Depreciation and amortization	73,996	8,093	16,181	359	98,631	(2,185)	96,445
Interest income	121	40	383	57	603	(88)	515
Interest expenses	11,612	97	12,041	83	23,834	(88)	23,746
Equity income (loss) of affiliates	(10,419)	-	13,179	-	2,759	-	2,759
Investment in affiliates	18,750	-	173,502	-	192,253	-	192,253
Increase in tangible and intangible non-current assets	¥106,744	¥5,737	¥60,279	¥387	¥173,148	¥(1,638)	¥171,509

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

- (1) The adjustment amount of (2,405) million yen in segment income includes elimination of transaction amounts between segments of (2,429) million yen.
 - (2) The adjustment amount of (194,621) million yen in segment assets includes elimination of (188,992) million yen for the offsetting of receivables.
 - (3) The adjustment amount of (2,185) million yen in depreciation and amortization includes elimination of transaction amounts between segments of (2,143) million yen.
 - (4) The adjustment amounts for interest income, interest expenses, and increase in tangible and intangible non-current 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, 2022

Millions of yen

	Reportable segments					Adjustments *1	Consolidated *2
	Electric power	Electric power related	Overseas	Other	Total		
Sales							
Sales to external customers	¥876,431	¥44,659	¥145,106	¥18,424	¥1,084,621	-	¥1,084,621
Intersegment sales and transfer	2,447	199,267	-	2,639	204,353	¥(204,353)	-
Total sales	878,879	243,926	145,106	21,063	1,288,975	(204,353)	1,084,621
Segment income	26,685	25,834	22,017	1,234	75,772	(2,925)	72,846
Segment assets	2,199,238	252,821	773,037	17,946	3,243,044	(176,868)	3,066,176
Other items							
Depreciation and amortization	75,081	8,181	15,663	370	99,295	(2,297)	96,997
Interest income	712	27	1,726	53	2,520	(709)	1,811
Interest expenses	11,595	127	11,350	78	23,152	(709)	22,442
Equity income (loss) of affiliates	(438)	-	14,666	-	14,228	-	14,228
Investment in affiliates	23,600	-	214,583	-	238,184	-	238,184
Increase in tangible and intangible non-current assets	¥89,958	¥5,450	¥39,301	¥361	¥135,072	¥(2,955)	¥132,116

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

- (1) The adjustment amount of (2,925) million yen in segment income includes elimination of transaction amounts between segments of (2,950) million yen.
 - (2) The adjustment amount of (176,868) million yen in segment assets includes elimination of (171,912) million yen for the offsetting of receivables.
 - (3) The adjustment amount of (2,297) million yen in depreciation and amortization includes elimination of transaction amounts between segments of (2,252) million yen.
 - (4) The adjustment amounts for interest income, interest expenses, and increase in tangible and intangible non-current 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, 2021

1. Information by products and services

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

2. Geographical information**(1) Operating revenue**

Millions of yen			
Japan	Thailand	Other	Total
¥750,252	¥137,757	¥21,135	¥909,144

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

(2) Tangible non-current assets

			Millions of yen
Japan	Thailand	Other	Total
¥1,596,006	¥279,321	¥120,505	¥1,995,832

3. Sales to main customers

			Millions of yen
	Amount of sales	Related segment	
Japan Electric Power Exchange (JEPX)	¥225,754	Electric power business	
Electricity Generating Authority of Thailand (EGAT)	123,969	Overseas business	
The Chugoku Electric Power Company, Incorporated	¥95,498	Electric power business	

For the year ended March 31, 2022

1. Information by products and services

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

2. Geographical information

(1) Operating revenue

			Millions of yen
Japan	Thailand	Other	Total
¥896,603	¥144,574	¥43,443	¥1,084,621

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

(2) Tangible non-current assets

			Millions of yen
Japan	Thailand	Other	Total
¥1,606,765	¥263,540	¥169,161	¥2,039,467

3. Sales to main customers

			Millions of yen
	Amount of sales	Related segment	
Japan Electric Power Exchange (JEPX)	¥ 230,835	Electric power business	
Electricity Generating Authority of Thailand (EGAT)	130,007	Overseas business	
The Chugoku Electric Power Company, Incorporated	¥ 128,877	Electric power business	

(Impairment loss on non-current assets by reportable segments)

For the year ended March 31, 2021

					Millions of yen
	Electric power	Electric power related	Overseas	Other	Total
Impairment loss	¥5,442	¥264	-	-	¥5,706

For the year ended March 31, 2022

					Millions of yen
	Electric power	Electric power related	Overseas	Other	Total
Impairment loss	¥633	¥256	-	-	¥889

(Information about amortization and balance of goodwill by reportable segments)

For the year ended March 31, 2021

Not applicable.

For the year ended March 31, 2022

Not applicable.

(Information about gain on negative goodwill by reportable segments)

For the year ended March 31, 2021

Not applicable.

For the year ended March 31, 2022

Not applicable.

(Related Party Information)

1. Summary of financial information of important affiliates

For the year ended March 31, 2021

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)	33,388
Account name	-
Balance at the end of the year (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, 2022

Not applicable.

Per Share Information

Year ended March 31	Yen	
	2021	2022
Net assets per share	¥4,420.39	¥5,004.31
Earnings per share	¥121.85	¥380.70

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

2. As described in "Changes in accounting policies", "Accounting standards for revenue recognition" etc. have been applied. The impact on net assets per share and net income per share in this consolidated fiscal year is minor.

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

Year ended March 31		2021	2022
Profit attributable to owners of parent	Millions of yen	¥22,304	¥69,687
Amount not attributable to ordinary shareholders	Millions of yen	-	-
Profit attributable to owners of parent related to common stock	Millions of yen	22,304	69,687
Weighted average number of common stock outstanding during the year	Thousands of shares	¥183,048	¥183,048

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

As of March 31		2021	2022
Total net assets	Millions of yen	¥853,685	¥964,105
Amount deducted from total net assets (non-controlling interests included in the above)	Millions of yen	44,540 (44,540)	48,075 (48,075)
Year-end net assets related to common stock	Millions of yen	809,145	916,029
The number of common stock used in the calculation of net assets per share	Thousands of shares	¥183,048	¥183,048

Schedule of Consolidated Financial Statements

Schedule of Bonds Payable

Electric Power Development Co., Ltd. straight bond						
No.	Issued date	Balance as of	Balance as of	Interest rate	Secured /Unsecured	Term of redemption (lump-sum)
		April 1, 2021	March 31, 2022			
		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
26	Mar. 12, 2009	14,994	14,994	2.220	Unsecured	Dec. 20, 2028
35	Oct. 22, 2012	20,000	**1 20,000	1.126	Unsecured	Oct. 20, 2022
37	Jul. 25, 2013	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	20,000	0.375	Unsecured	May 19, 2028
56	May 23, 2018	10,000	10,000	0.540	Unsecured	May 20, 2033
57	Jul. 11, 2018	20,000	20,000	0.355	Unsecured	Jul. 20, 2028
58	Jul. 11, 2018	10,000	10,000	0.705	Unsecured	Jul. 20, 2038
59	Sep. 19, 2018	20,000	20,000	0.414	Unsecured	Sep. 20, 2028
60	Sep. 19, 2018	10,000	10,000	0.804	Unsecured	Sep. 20, 2038
61	Oct. 12, 2018	10,000	10,000	0.682	Unsecured	Oct. 20, 2033
62	Oct. 23, 2018	10,000	10,000	0.805	Unsecured	Oct. 20, 2036
63	Nov. 29, 2018	10,000	10,000	0.250	Unsecured	Nov. 20, 2025
64	Apr. 10, 2019	10,000	10,000	0.450	Unsecured	Apr. 20, 2029
65	Apr. 10, 2019	10,000	10,000	0.739	Unsecured	Apr. 20, 2039
66	Apr. 23, 2019	10,000	10,000	1.146	Unsecured	Apr. 20, 2049
67	Sep. 5, 2019	10,000	10,000	0.240	Unsecured	Sep. 20, 2029
68	Sep. 5, 2019	10,000	10,000	0.480	Unsecured	Sep. 20, 2039
69	Oct. 10, 2019	20,000	20,000	0.500	Unsecured	Oct. 20, 2039
70	Jun. 4, 2020	20,000	20,000	0.140	Unsecured	Jun. 20, 2025
71	Jun. 4, 2020	30,000	30,000	0.420	Unsecured	Jun. 20, 2030
72	Jan. 21, 2021	20,000	20,000	0.350	Unsecured	Jan. 20, 2031
73	May. 20, 2021	-	30,000	0.310	Unsecured	May 20.2031
74	May. 20, 2021	-	10,000	0.620	Unsecured	May 20.2041
75	Oct. 21, 2021	-	20,000	0.350	Unsecured	Oct.20.2031
76	Jan.20.2022	-	10,000	0.310	Unsecured	Jan.20.2032
Esashi Green Energy Co., Ltd. straight bond						
1	Feb.14.2022	-	770	2.700	Unsecured	Feb.16.2032
Ishikari Green Energy Co., Ltd. straight bond						
1	Mar.18.2022	-	720	2.700	Unsecured	Mar.18.2032
Total		¥674.994	¥726.484	-	-	-

- (Notes) 1. The balance as of March 31, 2022 regarding bonds No. 35 is redeemable within one year.
2. The amounts redeemable within five years after March 31, 2022 are as follows;

	Millions of yen
Due in one year or less	¥20,000
Due after one year through two years	70,000
Due after two years through three years	90,000
Due after three years through four years	70,000
Due after four years through five years	¥40,000

Schedule of Loans, etc.

Category	Balance as of	Balance as of	Average rate	Repayment
	April 1, 2021	March 31, 2022	of interest	date
	Millions of yen	Millions of yen	%	
Long-term loans (excluding current portion)	¥892,350	¥839,645	1.301	From Apr. 3, 2023 To Mar. 31, 2042
Lease obligations (excluding current portion)	2,484	2,239	-	From Apr. 3, 2023 To May 31, 2039
Current portion of long-term loans	64,956	118,849	0.954	-
Current portion of lease obligations	958	1,060	-	-
Short-term loans	8,947	8,149	0.173	-
Commercial papers	20,005	90,016	(0.044)	-
Total	¥989,702	¥1,059,960	-	-

- (Notes) 1. Average rate of interest is the weighted average rate of interest for loans as of March 31, 2022.
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, 2022 are as follows;

Category	Millions of yen	
	Long-term loans	Lease obligations
Due after one year through two years	¥132,195	¥890
Due after two years through three years	100,184	583
Due after three years through four years	81,269	415
Due after four years through five years	¥93,295	¥47

Schedule of Asset Retirement Obligations

Category	Millions of yen			
	Balance as of April 1, 2021	Increase	Decrease	Balance as of March 31, 2022
Restoration obligations due to real estate lease agreement	¥19,774	¥373	¥553	¥19,594
Restoration obligation due to the electric power sales contract in overseas business	5,802	97	1,019	4,880
Other	¥10,294	¥1,126	¥229	¥11,192

Independent Auditor's Report

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

Opinion

We have audited the accompanying consolidated financial statements of Electric Power Development Co., Ltd. (the Company) and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2022, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of construction in progress related to the Ohma Nuclear Power Plant Construction project	
Description of Key Audit Matter	Auditor's Response
The Company recorded construction in progress of ¥676,596 million on its consolidated balance sheet as of March 31, 2022, which represented 22% of total assets. This included construction in progress related	In considering the reasonableness of the evaluation of the construction in progress related to the Ohma Nuclear Power Plant Construction project, we performed the following audit procedures, among others.

<p>to the Ohma Nuclear Power Plant Construction project.</p> <p>As a nuclear power plant using MOX (uranium-plutonium mixed oxide) fuel for the entire core, the Ohma Nuclear Power Plant Project received consent from the municipality of Ohma as well as Aomori Prefecture and was included in the national Electric Power Development Master Plan in August 1999. In May 2008, upon the initial approval of the construction work plan by the Minister of Economy, Trade and Industry based on the Electricity Business Act, construction began. The Company 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 December 2014, which are currently undergoing a review of compliance with the New Safety Standards concerning nuclear power plants promulgated by the NRA. As described in Significant Accounting Estimates in the Notes to Consolidated Financial Statements, the construction process of the project has been extended, and, as a result, the Company reviewed construction in progress. Since the total undiscounted future cash flows exceeded the carrying amount, no loss was recognized.</p> <p>As described in Significant Accounting Estimates in the Notes to Consolidated Financial Statements, the key assumptions used in estimating the undiscounted future cash flows are future sales revenue, additional construction costs, and operating costs of the power plant. Since these assumptions involve uncertainty and require significant management judgment, and the total amount of undiscounted future cash flows is significantly affected by the assessment and judgment of management, we determined valuation of construction in progress to be a key audit matter.</p>	<ol style="list-style-type: none"> 1. To assess the necessity of the Ohma Nuclear Power Plant Construction project, we: <ul style="list-style-type: none"> ● reviewed the Sixth Strategic Energy Plan which sets forth the direction of plutonium-thermal direction in the revised national energy policy (October 22, 2021, Cabinet decision) ; ● reviewed the latest Plans for the Utilization of Plutonium (February 18, 2022, Federation of Electric Power Companies of Japan) regarding the utilization of plutonium used as MOX fuel, taking into account the Basic Principles for the Utilization of Plutonium in Japan (July 31, 2018, Atomic Energy Commission); and ● made inquiries of management regarding the status of the review of compliance by the NRA, and reviewed the materials released by the NRA. 2. To evaluate the reasonableness of estimates of undiscounted future cash flows, we: <ul style="list-style-type: none"> ● discussed the calculations of undiscounted future cash flows with management, and compared them with the latest plan for the recoverability of carrying amounts formulated by the responsible department, which was based on a process approved by the board of directors; ● reviewed the basic agreement and so forth with nine former General Electricity Utilities regarding the Ohma Nuclear Power Plant to assess future sales revenue and made inquiries of management about the agreement requiring that the nine former General Electricity Utilities purchase the total amount of electricity generated at fair cost; ● compared the construction costs used to estimate undiscounted future cash flows, which had been calculated in the past, with the actual amounts up to and including the current fiscal year to assess
---	---

	<p>the assumptions for the estimates;</p> <ul style="list-style-type: none"> ● compared the additional construction costs used to estimate undiscounted future cash flows with the construction costs approved by the board of directors; ● compared the construction costs and the future operating costs of the power plant with the trial calculation for a model plant released by the Agency for Natural Resources and Energy in September 2021; and ● involved valuation specialists of our network firm to assess the valuation methodologies for the calculation of undiscounted future cash flows.
--	--

Recoverability of deferred tax assets under the group tax sharing system	
Description of Key Audit Matter	Auditor's Response
<p>As described in significant accounting estimates and income taxes in the notes to the consolidated financial statements, deferred tax assets in the amount of ¥64,277 million was recorded in the Company's consolidated balance sheet as of March 31, 2022. Included therein were ¥17,283 million related to the net operating loss carryforwards for tax purposes which the Company took over as a result of its absorption of J-POWER SUPPLY & TRADING Co., Ltd., in this fiscal year.</p> <p>As described in income taxes in the notes to the consolidated financial statements, the Company has adopted the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF Report No. 42) for accounting treatment and disclosure of tax effect accounting related to income taxes and local income taxes effective from the end of the current consolidated fiscal year, on the assumption that the Company adopts the group tax sharing system from the following consolidated fiscal year.</p> <p>As described in significant accounting estimates in the notes to the consolidated</p>	<p>In considering the recoverability of deferred tax assets, we performed the following audit procedures, among others.</p> <ul style="list-style-type: none"> ● To assess the appropriateness of the Company's evaluation of the recoverability of its deferred tax assets, we reviewed the documents related to the occurrence of taxable income in the past three years, and discussed the cause of occurrence of the net operating loss carryforwards with the management. ● To assess the management process of developing the business plan, we compared it, which had been developed in the past, with the actual amount through the current fiscal year. ● We reviewed the minutes of the board of director's meeting to understand the planned figures of estimating the future taxable income, and compared planned figures to the business plan approved by the management. ● To assess the electricity sales volume included in the future business plan, we

<p>financial statements, the deferred tax assets are recorded in the amount deemed recoverable based on the best estimates of future taxable income in accordance with the Group's business plans, etc.</p> <p>The corporate classification shown in "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26) to judge the recoverable amount, and the electricity sales volume, the fuel prices and the electricity market prices to estimate the future taxable income are affected by future economic conditions and involve subjectivity and uncertainties. Furthermore, the recoverable amount is affected by management evaluation and judgement significantly. Accordingly, we considered the recoverability of deferred tax assets under the group tax sharing system to be a key audit matter.</p>	<p>discussed with the management and compared them with the historical volume and related documents.</p> <ul style="list-style-type: none"> ● To assess the fuel prices included in the future business plan, we compared them with the historical prices and predicted data published by third parties. ● To assess the electricity market prices included in the future business plan, we compared them with the historical prices and predicted data published by third parties.
--	---

Other Information

The other information comprises the information included in the disclosure document that contains audited consolidated financial statements but does not include the consolidated financial statements and our auditor's report thereon.

We have concluded that the other information does not exist. Accordingly, we have not performed any work related to the other information.

Responsibilities of Management, the Audit & Supervisory Board Members and the Audit & Supervisory Board 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 such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

August 1, 2022

佐藤 森夫

Morio Sato
Designated Engagement Partner
Certified Public Accountant

齋藤 克宏

Katsuhiko Saito
Designated Engagement Partner
Certified Public Accountant