

Consolidated Financial Statements
Electric Power Development Co., Ltd.
and Consolidated Subsidiaries
For the year ended March 31, 2024
with Independent Auditor's Report

Consolidated Balance Sheet

As of March 31	Millions of yen	
	2023	2024
Assets		
Non-current assets	¥2,701,385	¥2,785,494
Electric utility plant and equipment	1,065,522 ^{1) 2) 8)}	1,092,687 ^{1) 2)}
Hydroelectric power production facilities	374,454	378,572
Thermal power production facilities	379,750	364,877
Renewable power production facilities	77,783	-
Renewable power production and related facilities	-	118,762
Transmission facilities	140,248	136,104
Transformation facilities	32,954	33,506
Communication facilities	6,303	6,523
General facilities	54,028	54,340
Overseas business facilities	447,201 ^{2) 8)}	463,421 ^{2) 8)}
Other non-current assets	89,219 ^{1) 2)}	89,664 ^{1) 2)}
Construction in progress	572,165 ^{2) 8)}	576,118 ⁸⁾
Construction in progress	572,165	576,118
Nuclear fuel	76,226	77,101
Nuclear fuel in processing	76,226	77,101
Investments and other assets	451,048	486,501
Long-term investments	371,914 ^{3) 8)}	410,175 ^{3) 8)}
Retirement benefit asset	1,473	18,157
Deferred tax assets	56,896	41,709
Other	20,867 ⁸⁾	16,545 ⁸⁾
Allowance for doubtful accounts	(102)	(87)
Current assets	661,300	690,254
Cash and deposits	342,018 ⁸⁾	278,814 ⁸⁾
Notes and accounts receivable - trade, and contract assets	129,901 ^{5) 8)}	98,119 ^{5) 8)}
Short-term investments	3,281	153,146
Inventories	110,315 ^{4) 8)}	80,059 ^{4) 8)}
Other	75,786 ⁸⁾	80,118 ⁸⁾
Allowance for doubtful accounts	(3)	(3)
Total assets	¥3,362,685	¥3,475,749

As of March 31	Millions of yen	
	2023	2024
Liabilities		
Non-current liabilities	¥1,797,923	¥1,793,412
Bonds payable	774,085	729,086
Long-term borrowings	893,363 ⁸⁾	932,304 ⁸⁾
Lease liabilities	1,695	1,210
Other provisions	11 ⁷⁾	26 ⁷⁾
Retirement benefit liability	33,301	31,707
Asset retirement obligations	34,087	34,465
Deferred tax liabilities	25,098	27,677
Other	36,279	36,934
Current liabilities	372,019	349,257
Current portion of non-current liabilities	207,374 ⁸⁾	196,448 ⁸⁾
Short-term borrowings	10,715 ⁸⁾	8,031
Notes and accounts payable - trade	53,774	52,379
Accrued taxes	27,884	27,745
Other provisions	698 ⁷⁾	646 ⁷⁾
Asset retirement obligations	476	528
Other	71,096 ⁶⁾	63,478 ⁶⁾
Total liabilities	2,169,942	2,142,670
Net assets		
Shareholders' equity	977,800	1,038,201
Share capital	180,502	180,502
Capital surplus	128,178	128,178
Retained earnings	669,498	729,883
Treasury shares	(378)	(362)
Accumulated other comprehensive income	106,878	177,720
Valuation difference on available-for-sale securities	14,372	26,855
Deferred gains or losses on hedges	7,948	15,434
Foreign currency translation adjustment	78,928	119,358
Remeasurements of defined benefit plans	5,629	16,072
Non-controlling interests	108,064	117,156
Total net assets	1,192,743	1,333,078
Total liabilities and net assets	¥3,362,685	¥3,475,749

Consolidated Statement of Income

Year ended March 31	Millions of yen	
	2023	2024
Operating revenue	¥1,841,922 ¹⁾	¥1,257,998 ¹⁾
Electric utility operating revenue	1,417,902	899,476
Overseas business operating revenue	277,555	259,264
Other business operating revenue	146,464	99,256
Operating expenses	1,658,055 ^{2) 3)}	1,152,293 ^{2) 3)}
Electric utility operating expenses	1,340,611	861,021
Overseas business operating expenses	248,592	226,756
Other business operating expenses	68,850	64,515
Operating profit	183,867	105,704
Non-operating income	24,764	49,518
Dividend income	1,927	1,866
Interest income	3,472	7,447
Share of profit of entities accounted for using equity method	9,128	24,550
Other	10,235	15,654
Non-operating expenses	37,839	36,687
Interest expenses	27,368	30,937
Other	10,470 ⁴⁾	5,749 ⁴⁾
Total ordinary revenue	1,866,686	1,307,516
Total ordinary expenses	1,695,894	1,188,981
Ordinary profit	170,792	118,535
Profit before income taxes	170,792	118,535
Income taxes-current	37,935	27,393
Income taxes-deferred	13,864	6,446
Total income taxes	51,799	33,839
Profit	118,993	84,695
Profit attributable to non-controlling interests	5,303	6,920
Profit attributable to owners of parent	¥113,689	¥77,774

Consolidated Statement of Comprehensive Income

Year ended March 31	Millions of yen	
	2023	2024
Profit	¥118,993	¥84,695
Other comprehensive income		
Valuation difference on available-for-sale securities	357	12,480
Deferred gains or losses on hedges	4,390	5,044
Foreign currency translation adjustment	40,921	39,052
Remeasurements of defined benefit plans, net of tax	(2,782)	10,420
Share of other comprehensive income of entities accounted for using equity method	32,839	7,963
Total other comprehensive income	75,726 ¹⁾	74,960 ¹⁾
Comprehensive income	194,719	159,656
(Comprehensive income attributable to)		
Owners of parent	176,979	148,617
Non-controlling interests	¥17,740	¥11,039

Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2023

	Millions of yen							
	Shareholders' equity					Total shareholders' equity	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares				
Balance at beginning of period	¥180,502	¥119,881	¥570,452	¥(9)		¥870,826		
Changes during period								
Dividends of surplus			(14,643)			(14,643)		(14,643)
Profit attributable to owners of parent			113,689			113,689		113,689
Purchase of treasury shares				(368)		(368)		(368)
Disposal of treasury shares				-		-		-
Change in ownership interest of parent due to transactions with non-controlling interests								
Net changes in items other than shareholders' equity		8,297				8,297		8,297
Total changes during period	-	8,297	99,045	(368)		106,973		106,973
Balance at end of period	¥180,502	¥128,178	¥669,498	¥(378)		¥977,800		¥977,800

	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 beginning of period	¥14,014	¥(9,359)	¥32,136	¥8,411	¥45,203	¥48,075	¥964,105
Changes during period							
Dividends of surplus							(14,643)
Profit attributable to owners of parent							113,689
Purchase of treasury shares							(368)
Disposal of treasury shares							-
Change in ownership interest of parent due to transactions with non-controlling interests							8,297
Net changes in items other than shareholders' equity	357	17,308	46,791	(2,782)	61,675	59,988	121,664
Total changes during period	357	17,308	46,791	(2,782)	61,675	59,988	228,638
Balance at end of period	¥14,372	¥7,948	¥78,928	¥5,629	¥106,878	¥108,064	¥1,192,743

For the year ended March 31, 2024

	Millions of yen							
	Shareholders' equity					Total shareholders' equity	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares				
Balance at beginning of period	¥180,502	¥128,178	¥669,498	¥(378)		¥977,800		
Changes during period								
Dividends of surplus			(17,389)			(17,389)		(17,389)
Profit attributable to owners of parent			77,774			77,774		77,774
Purchase of treasury shares				(0)		(0)		(0)
Disposal of treasury shares				16		16		16
Change in ownership interest of parent due to transactions with non-controlling interests								
Net changes in items other than shareholders' equity		-				-		-
Total changes during period	-	-	60,385	15		60,401		60,401
Balance at end of period	¥180,502	¥128,178	¥729,883	¥(362)		¥1,038,201		¥1,038,201

	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 beginning of period	¥14,372	¥7,948	¥78,928	¥5,629	¥106,878	¥108,064	¥1,192,743
Changes during period							
Dividends of surplus							(17,389)
Profit attributable to owners of parent							77,774
Purchase of treasury shares							(0)
Disposal of treasury shares							16
Change in ownership interest of parent due to transactions with non-controlling interests							-
Net changes in items other than shareholders' equity	12,482	7,485	40,430	10,443	70,842	9,092	79,934
Total changes during period	12,482	7,485	40,430	10,443	70,842	9,092	140,335
Balance at end of period	¥26,855	¥15,434	¥119,358	¥16,072	¥177,720	¥117,156	¥1,333,078

Consolidated Statement of Cash Flows

Year ended March 31	Millions of yen	
	2023	2024
Cash flows from operating activities		
Profit before income taxes	¥170,792	¥118,535
Depreciation and amortization	107,642	110,313
Loss on retirement of non-current assets	6,821	2,751
Increase (decrease) in retirement benefit liability	(9,685)	(3,352)
Interest and dividend income	(5,400)	(9,313)
Interest expenses	27,368	30,937
Decrease (increase) in trade receivables	(47,335)	37,012
Decrease (increase) in inventories	(44,357)	31,360
Increase (decrease) in trade payables	18,316	(13,524)
Share of loss (profit) of entities accounted for using equity method	(9,128)	(24,550)
Other, net	(30,306)	1,067
Subtotal	184,727	281,237
Interest and dividends received	18,989	39,868
Interest paid	(26,220)	(34,294)
Income taxes paid	(21,663)	(32,790)
Net cash provided by (used in) operating activities	155,832	254,021
Cash flows from investing activities		
Purchase of non-current assets	(144,862)	(115,840)
Proceeds from sale of non-current assets	5,008	5,842
Investments and loan advances	(7,828)	(9,357)
Proceeds from divestments and collection of loans receivable	3,140	7,619
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	156	-
Net decrease (increase) in time deposits	(6,880)	(50,196)
Other, net	425	(21)
Net cash provided by (used in) investing activities	(150,839)	(161,954)
Cash flows from financing activities		
Proceeds from issuance of bonds	137,192	44,840
Redemption of bonds	(20,000)	(70,000)
Proceeds from long-term borrowings	157,684	129,276
Repayments of long-term borrowings	(126,468)	(144,381)
Proceeds from short-term borrowings	122,626	33,363
Repayments of short-term borrowings	(120,061)	(36,176)
Proceeds from issuance of commercial papers	219,999	-
Redemption of commercial papers	(310,000)	-
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	55,821	-
Dividends paid	(14,647)	(17,386)
Dividends paid to non-controlling interests	(4,673)	(4,064)
Other, net	(1,453)	(1,335)
Net cash provided by (used in) financing activities	96,021	(65,864)
Effect of exchange rate change on cash and cash equivalents	10,729	10,167
Net increase (decrease) in cash and cash equivalents	111,743	36,368
Cash and cash equivalents at beginning of period	222,551	334,294
Cash and cash equivalents at end of period	¥334,294 ¹⁾	¥370,663 ¹⁾

Notes to Consolidated Financial Statements

For the years ended March 31, 2023 and 2024

Summary of Significant Accounting Policies

1. Scope of consolidation

Number of consolidated subsidiaries: 76

The accompanying consolidated financial statements include the accounts of Electric Power Development Co., Ltd. (the "Company") and its 76 subsidiaries controlled directly or indirectly by the Company.

In this fiscal year, JPBC DEVELOPMENT CO PTY. LTD and other 2 companies which were established in June 2023, J-Solar Co., Ltd. which was established in August 2023, and AP Solar 4, in which shares were acquired in March 2024, have been included in the scope of consolidation.

Omuta Plant Service Co., Ltd. also has been excluded from the scope of consolidation due to completion of liquidation in February 2024.

2. Application of equity method

Number of companies accounted for by the equity method: 89

In this fiscal year, Bukidnon Hydro Energy Corp., in which shares were acquired in September 2023, and Oga Katagami Akita Offshore Green Energy LLC., which was established in February 2024, were included in the scope of affiliates accounted for by the equity method.

China Resources Power (Hezhou) Co., Ltd. and other 2 companies have been excluded from the scope of affiliates accounted for by the equity method due to the transfer of all ownership interests in March 2024.

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 46 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 46 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. Securities without 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, 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, progress is estimated using the elapsed time as an indicator.

b. Electricity Transmission

Revenue related to electricity transmission is generated 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, 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 derivatives 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	
	2023	2024
Construction in progress	¥572,165	¥576,118

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

Construction in progress in the amount of 576,118 million yen was recorded on the Company's consolidated balance sheet as of March 31, 2024 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, etc. 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	
	2023	2024
Deferred tax assets	¥56,896	¥41,709

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

Deferred tax assets in the amount of 41,709 million yen were recorded on the Company's consolidated balance sheet as of March 31, 2024.

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.

(Accounting standards issued but not yet effective)

- a. "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022)
- b. "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, October 28, 2022)
- c. "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022)

(1) Overview

The revised standards and revised implementation guidance provide for the classification of income taxes when taxes are imposed on other comprehensive income and for the treatment of tax effects related to the sale of shares of subsidiaries when the corporate group tax system is applied.

(2) Scheduled date of adoption

The Company expects to adopt the accounting standards and related implementation guidance from the beginning of the fiscal year ending March 31, 2025.

(3) Impact of adoption of revised accounting standard and related implementation guidance

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

d. "The Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules" (ASBJ Practical Issues Task Force (PITF) Report No. 46, March 22, 2024)

(1) Overview

The practical solution specifies the accounting treatment for and disclosure of corporate tax and local corporate tax, related to the global minimum tax rules.

(2) Scheduled date of adoption

The Company expects to adopt the accounting standards and related implementation guidance from the beginning of the fiscal year ending March 31, 2025.

(3) Impact of adoption of revised accounting standard and related implementation guidance

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

(Changes in Presentation)**(Consolidated Balance Sheet)**

In accordance with the revision of the Electricity Utilities Accounting Regulations (Ministerial Ordinance Concerning the Establishment of Relevant Ministerial Ordinances in Act of Partial Revision of the Act on Rationalizing Energy Use and Other Acts in Order to Establish Stable Energy Supply and Demand Structure, 2023, Ministry of Economy, Trade and Industry Ordinance No. 11), "Renewable power production facilities" is presented as "Renewable power production and related facilities" from the current fiscal year.

"Short-term investments", which was included in "Other" under "Current assets" in the previous fiscal year, has been presented as a separate line item from the current fiscal year due to its increased monetary importance. The consolidated balance sheet of the previous fiscal year has been reclassified to reflect this change in presentation.

As a result, 79,067 million yen presented as "Other" under "Current assets" in the consolidated balance sheet for the previous fiscal year has been restated as "Short-term investments" of 3,281 million yen and "Other" of 75,786 million yen.

(Consolidated Statement of Income)

"Gain on sale of non-current assets" under "Non-operating income," which was presented as a separate line item in the previous fiscal year, is included in "Other" in the current fiscal year, since it now accounts for less than 10% of the total amount of non-operating income. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, the amounts previously reported as 3,936 million yen under "Gain on sale of non-current assets" and 6,299 million yen under "Other" in "Non-operating income" in the consolidated statement of income for the previous fiscal year have been reclassified as 10,235 million yen under "Other."

"Loss on retirement of non-current assets," under "Non-operating expenses" which was presented as a separate line item in the previous fiscal year, is included in "Other" in the current fiscal year, since it now accounts for less than 10% of the total amount of non-operating expenses. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, the amounts previously reported as 4,667 million yen under "Loss on retirement of non-current assets" and 5,803 million yen under "Other" in "Non-operating expenses" in the consolidated statement of income for the previous fiscal year have been reclassified as 10,470 million yen under "Other."

(Consolidated Statement of Cash Flows)

"Loss (gain) on sale of non-current assets," under "Cash flows from operating activities" which was presented as a separate line item in the previous fiscal year, is included in "Other, net" in the current fiscal year, since the monetary importance has become less significant. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, the amounts previously reported as (3,251) million yen under "Loss (gain) on sale of non-current assets," and (27,055) million yen under "Other, net" in "Cash flows from operating activities" in the consolidated statement of cash flows for the previous fiscal year have been reclassified as (30,306) million yen under "Other, net."

"Net decrease (increase) in time deposits" which was included in "Other, net" under "Cash flows from investing activities" in the previous fiscal year, has become significant in terms of amount and is therefore presented as a separate line item in the current fiscal year. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, the amount previously reported as (6,454) million yen under "Other, net" in "Cash flows from investing activities" in the consolidated statement of cash flows for the previous fiscal year has been reclassified as (6,880) million yen under "Net decrease (increase) in time deposits" and 425 million yen under "Other, net."

(Additional Information)

(Introduction of Stock-based Compensation System for Officers)

The Company has implemented a stock-based compensation system (hereinafter referred to as the "System") for directors (excluding independent directors and those serving as audit and supervisory committee members, hereinafter referred to as "Directors") and executive officers (excluding those concurrently serving as Directors; including Directors, hereinafter referred to as "Directors, etc.") based on the resolution of the 70th Ordinary General Meeting of Shareholders held on June 28, 2022. The accounting treatment for the System is in accordance with the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (ASBJ PITF Report No. 30, March 26, 2015).

(1) Summary of the transaction

The System is a stock-based compensation program whereby a trust (hereinafter referred to as the "Trust"), established by the Company through monetary contributions, acquires the Company's shares and grants each of Directors, etc. a number of Company shares equivalent to the number of points they were awarded by the Company. Under the System, Company shares will be allocated to Directors, etc. who serve during the three fiscal years from the fiscal year ended on March 31, 2023 to the fiscal year ending on March 31, 2025, based on the points awarded. One point corresponds to one share of the Company's stock, and as a rule, the Directors, etc. will receive the Company shares upon their retirement.

(2) Company shares remaining in the Trust

The Company shares that remain in the Trust are recorded as treasury shares in the Net assets section based on their book value in the Trust (excluding associated expenses). As of the end of the current fiscal year, the book value of the treasury shares is 352 million yen, and the number of shares is 177 thousand.

Consolidated Balance Sheet

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

	Millions of yen	
As of March 31	2023	2024
	¥117,587	¥114,993

2) Accumulated depreciation of tangible assets

	Millions of yen	
As of March 31	2023	2024

¥3,269,219 **¥3,366,842**

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

As of March 31	Millions of yen	
	2023	2024
Stocks	¥281,975	¥296,861

4) Inventories

	Millions of yen	
As of March 31	2023	2024
Merchandise and finished goods	¥2,893	¥2,633
Work in process	1,476	2,009
Raw materials and supplies	¥105,945	¥75,416

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

	Millions of yen	
As of March 31	2023	2024
Notes receivable-trade	-	¥2
Accounts receivable-trade	¥125,439	93,528
Contract assets	¥4,444	¥4,556

6) Contract liabilities in other

	Millions of yen	
As of March 31	2023	2024
Contract liabilities	¥995	¥710

7) Provisions

As of March 31	2023	2024
Provisions for directors' bonuses stated by subsidiaries are included in other provisions		Provisions for directors' bonuses stated by subsidiaries are included in other provisions

8) Pledged assets and secured liabilities

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

	Millions of yen	
As of March 31	2023	2024
Long-term investments	¥81,074	¥96,153

(2) Assets of the Consolidated subsidiary for loans of other companies

	Millions of yen	
As of March 31	2023	2024
Long-term investments	¥606	¥853

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

As of March 31	Millions of yen	
	2023	2024
Overseas business facilities	¥428,813	¥443,753
Cash and deposits	50,534	56,375
Construction in progress	9,175	9,728
Notes and accounts receivable-trade, and contract assets	3,852	7,454
Inventories	568	875
Other (Investments and other assets)	1,908	490
Other (Current assets)	499	¥422
Electric utility plant and equipment	¥997	-

Liabilities related to pledged assets mentioned above

As of March 31	Millions of yen	
	2023	2024
Long-term borrowings (including current portion)	¥305,846	¥299,555
Short-term borrowings	¥2,584	-

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

As of March 31	Millions of yen	
	2023	2024
Guarantees given to certain financial institutions for loans of companies below:		
Oga Katagami Akita Offshore Green Energy LLC.	-	¥5,772
Yuzawa Geothermal Power Generation Corporation	¥2,063	1,875
Appi Geothermal Energy Corporation	276	495
SAHARA COOLING Ltd.	223	261
Guarantees given in connection with housing loans for employees	269	239
Total	¥2,832	¥8,643

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

As of March 31	Millions of yen	
	2023	2024
PT. BHIMASENA POWER INDONESIA	¥3,178	-

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

As of March 31	Millions of yen	
	2023	2024
J-Wind Co., Ltd.	¥15,092	¥14,674
J-Wind KAMINOKUNI, Ltd.	1,802	¥90
Ishikari Green Energy Co., Ltd	¥327	-

- (4) 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	2023	2024
AP Solar 4, LLC	¥2,750	¥3,119

The amount above shows the maximum amount of guarantee

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

	Millions of yen	
As of March 31	2023	2024
Biocoal Kumamoto-South Co., Ltd.	¥22	¥28

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

	Millions of yen	
As of March 31	2023	2024
J-Power Investment Netherlands B.V.	¥388	¥472

The amount above shows the maximum amount of guarantee

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

	Millions of yen	
As of March 31	2023	2024
Consulting services related to construction of the Turga Pumped Storage Project, India	¥236	¥240

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			
	2023		2024	
Category	Electric utility operating expenses	Selling, general and administrative expenses*	Electric utility operating expenses	Selling, general and administrative expenses*
Personnel expenses	¥25,544	¥14,432	¥30,004	¥18,796
Fuel cost	764,509	-	421,363	-
Repair expenses	47,298	1,580	44,923	1,639
Consignment cost	52,211	16,056	49,329	15,379
Taxes and duties	31,302	896	26,953	893
Depreciation and amortization cost	75,335	2,836	76,217	2,634
Research expenses	8,406	8,406	5,642	5,642
Other	336,003	9,183	206,586	9,517
Total	¥1,340,611	¥53,391	¥861,021	¥54,503

*Included in electric utility operating expenses

3) Research and development costs included in operating expenses

Year ended March 31	Millions of yen	
	2023	2024
	¥10,336	¥7,710

4) Impairment loss

For the year ended March 31, 2023

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 1,673 million yen was recognized in “other” under “non-operating expenses,” which consists of 1,610 million yen for land and 62 million yen for buildings and structures.

The recoverable amount is measured by net selling value. Of such idle assets, assets held for sale are measured by the relevant estimated selling value, and other assets are valued based on valuations reflecting market prices.

For the year ended March 31, 2024

The information is omitted due to lack of materiality.

Consolidated Statement of Comprehensive Income

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

Year ended March 31	Millions of yen	
	2023	2024
Valuation difference on available-for-sale securities		
Amount accrued for the current year	¥917	¥19,261
Reclassification adjustment	(518)	(2,458)
Amount before tax effect	399	16,802
Tax effect	(41)	(4,322)
Valuation difference on available-for-sale securities	357	12,480
Deferred gains or losses on hedges		
Amount accrued for the current year	42,875	(12,276)
Reclassification adjustment	(40,498)	21,056
Adjusted acquisition cost of assets	318	(1,486)
Amount before tax effect	2,695	7,293
Tax effect	1,695	(2,249)
Deferred gains or losses on hedges	4,390	5,044
Foreign currency translation adjustment		
Amount accrued for the current year	40,921	39,052
Remeasurements of defined benefit plans, net of tax		
Amount accrued for the current year	4,136	19,102
Reclassification adjustment	(7,938)	(4,554)
Amount before tax effect	(3,801)	14,547
Tax effect	1,019	(4,126)
Remeasurements of defined benefit plans, net of tax	(2,782)	10,420
Share of other comprehensive income of entities accounted for using equity method		
Amount accrued for the current year	33,663	11,843
Reclassification adjustment	(823)	(3,686)
Adjusted acquisition cost of assets	-	(185)
Share of other comprehensive income of entities accounted for using equity method	32,839	7,963
Total other comprehensive income	¥75,726	¥74,960

Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2023

1. Shares issued

Type	As of April 1, 2022	Increase	Decrease	As of March 31, 2023	Shares
Common stock	183,051,100	-	-	183,051,100	

2. Treasury shares

Type	As of April 1, 2022	Increase	Decrease	As of March 31, 2023	Shares
Treasury shares	2,971	186,160	-	189,13	

(Note)

The number of treasury shares at the end of the current fiscal year includes 185,800 shares of the Company's stock held by the Trust accounts related to the stock-based compensation trust for officers.

A breakdown of the increase is as follows:

Increase due to purchasing shares that are less than one voting unit: 360 shares

Increase due to acquisition of shares of the Company's stock by the Trust accounts related to the stock-based compensation system for officers: 185,800 shares

3. Dividends**(1) Dividends paid**

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general shareholders' meeting (June 28, 2022)	Common stock	¥7,321	¥40	March 31, 2022	June 29, 2022
Board of Directors (October 31, 2022)	Common stock	¥7,321	¥40	September 30, 2022	November 30, 2022

(Note)

The total amount of dividends resolved by the Board of Directors on October 31, 2022 includes 7 million yen of dividends for the Company's shares held by the Trust accounts related to the stock-based compensation system for officers.

(2) Dividends with the cut-off date in the year ended March 31, 2023 and the effective date in the year ended March 31, 2024

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, 2023)	Common stock	Retained earnings	¥9,152	¥50	March 31, 2023	June 29, 2023

(Note)

The total amount of dividends resolved by the Board of Directors on June 28, 2023 includes dividends of 9 million yen paid to the Company's shares held by the Trust accounts related to the stock-based compensation system for officers.

For the year ended March 31, 2024

1. Shares issued

Shares

Type	As of April 1, 2023	Increase	Decrease	As of March 31, 2024
Common stock	183,051,100	-	-	183,051,100

2. Treasury shares

Type	As of April 1, 2023	Increase	Decrease	As of March 31, 2024
Treasury shares	189,131	174	8,100	181,205

(Note)

The number of treasury shares at the end of the current fiscal year includes 177,700 shares of the Company's stock held by the Trust accounts related to the stock-based compensation trust for officers.

A breakdown of the increase is as follows:

Increase due to purchasing shares that are less than one voting unit: 174 shares

Increase due to acquisition of shares of the Company's stock by the Trust accounts related to the stock-based compensation system for officers: 8,100 shares

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general shareholders' meeting (June 28, 2023)	Common stock	¥9,152	¥50	March 31, 2023	June 29, 2023
Board of Directors (October 31, 2023)	Common stock	¥8,237	¥45	September 30, 2023	November 30, 2023

(Note)

The total amount of dividends resolved by the Board of Directors on June 28, 2023 includes dividends of 9 million yen paid to the Company's shares held by the Trust accounts related to the stock-based compensation system for officers. In addition, the total amount of dividends resolved by the Board of Directors on October 31, 2023 includes 7 million yen of dividends for the Company's shares held by the Trust accounts related to the stock-based compensation system for officers.

(2) Dividends with the cut-off date in the year ended March 31, 2024 and the effective date in the year ending March 31, 2025

Resolution	Type of shares	Dividends paid from	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general shareholders' meeting (June 26, 2024)	Common stock	Retained earnings	¥10,067	¥55	March 31, 2024	June 27, 2024

(Note)

The total amount of dividends resolved by the Board of Directors on June 26, 2024 includes dividends of 9 million yen paid to the Company's shares held by the Trust accounts related to the stock-based compensation system for officers.

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

	Millions of yen	
Year ended March 31	2023	2024

Cash and deposits account	¥342,018	¥278,814
Time deposits with a maturity of more than three months	(7,724)	(58,143)
Short-term investments (securities) with a maturity of less than three months from the date of acquisition	-	149,992
Cash and cash equivalents	¥334,294	¥370,663

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 market price fluctuations. Additionally, short-term investments consist of domestic commercial paper (CP) and others, which have characteristics similar to those of deposits.

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 that 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 a maximum of 25 years after the fiscal year date. Some of these have variable interest rates and are thus exposed to interest rate fluctuation risk; however, this risk 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. Additionally, each division continuously tracks any changes in the status of management and related aspects of 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 electric power companies (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 hedge 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 internal 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 the issuance of commercial papers and other means.

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

The calculation of the 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, 2024, 64% of the operating receivables are from former 10 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, 2023	Millions of yen		
	Carrying value	Fair value	Difference
(1) Investment securities			
Available-for-sale securities *2*3	¥32,216	¥32,216	-
Total assets	32,216	32,216	-
(2) Bonds payable *4	844,085	820,644	¥23,441
(3) Long-term borrowings *4	1,028,317	1,024,239	4,077
Total liabilities	1,872,402	1,844,884	¥27,518
(4) Derivatives transactions *5			
Transactions not subject to hedge accounting	1,908	1,908	-
Transactions subject to hedge accounting	(1,661)	(1,661)	-
Total derivatives transactions	¥246	¥246	-

*1 "Cash and deposits," "Notes and accounts receivable-trade, and contract assets," "Short-term borrowings," 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 on the consolidated balance sheet for securities without quoted market prices

As of March 31, 2023

Category	Millions of yen
Unlisted shares (excluding share sold on the OTC market)	¥7,776
Unlisted foreign shares	284
Capital contribution	1,531
Foreign capital contribution	¥14,176

The above items 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 borrowings.

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

As of March 31, 2024

	Carrying value	Fair value	Difference
(1) Investment securities			
Available-for-sale securities *2*3	¥46,428	¥46,428	-
Total assets	46,428	46,428	-
(2) Bonds payable *4	819,086	800,818	¥18,267
(3) Long-term borrowings *4	1,037,691	1,031,072	6,619
Total liabilities	1,856,778	1,831,890	¥24,887
(4) Derivatives transactions *5			
Transactions not subject to hedge accounting	490	490	-
Transactions subject to hedge accounting	5,765	5,765	-
Total derivatives transactions	¥6,225	¥6,225	-

*1 “Cash and deposits,” “notes and accounts receivable-trade, and contract assets,” “Short-term investments ,” “Short-term borrowings ,” 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 on the consolidated balance sheet for securities without quoted market prices

As of March 31, 2024

Category	Millions of yen
Unlisted shares (excluding share sold on the OTC market)	¥7,958
Unlisted foreign shares	192
Capital contribution	854
Foreign capital contribution	¥15,186

The above items 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 borrowings .

*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, 2023

Millions of yen

	Investment securities Available-for-sale securities with maturities	Cash and deposits *	Notes and accounts receivable-Trade, and contract assets	Short-term investments	Total
Due in one year or less	¥110	¥342,018	¥129,901	¥3,281	¥475,312
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, 2024

Millions of yen

	Investment securities Available-for-sale securities with maturities	Cash and deposits *	Notes and accounts receivable-Trade, and contract assets	Short-term investments	Total
Due in one year or less	-	¥278,814	¥98,119	¥153,146	¥530,080
Due after one year through five years	¥180	-	-	-	¥180
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 borrowings , and other interest-bearing debt scheduled for repayment after the end of fiscal year

As of March 31, 2023	Millions of yen			
	Bonds payable	Long-term borrowings	Short-term borrowings	Total
Due in one year or less	¥70,000	¥134,953	¥10,715	¥215,668
Due after one year through two years	90,000	105,273	-	195,273
Due after two years through three years	93,900	119,395	-	213,295
Due after three years through four years	55,000	98,715	-	153,715
Due after four years through five years	100,000	179,061	-	279,061
Due after five years	¥435,185	¥390,917	-	¥826,103

As of March 31, 2024	Millions of yen			
	Bonds payable	Long-term borrowings	Short-term borrowings	Total
Due in one year or less	¥90,000	¥105,387	¥8,031	¥203,419
Due after one year through two years	93,900	118,792	-	212,692
Due after two years through three years	55,000	128,782	-	183,782
Due after three years through four years	100,000	179,157	-	279,157
Due after four years through five years	75,000	65,435	-	140,435
Due after five years	¥405,190	¥440,136	-	¥845,326

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, 2023				Millions of yen
Category	Fair value			Total
	Level 1	Level 2	Level 3	
a. Investment securities				
Available-for-sale securities				
Stock	¥32,106	-	-	¥32,106
Bonds	-	¥110	-	110
Total assets	¥32,106	110	-	32,216
b. Derivatives transactions				
Transactions not subject to hedge accounting	-	-	¥1,908	1,908
Transactions subject to hedge accounting	-	(1,661)	-	(1,661)
Total derivatives transactions	-	¥(1,661)	¥1,908	¥246

As of March 31, 2024				Millions of yen
Category	Fair value			Total
	Level 1	Level 2	Level 3	
a. Investment securities				
Available-for-sale securities				
Stock	¥46,248	-	-	¥46,248
Bonds	-	¥180	-	180
Total assets	¥46,248	180	-	46,428
b. Derivatives transactions				
Transactions not subject to hedge accounting	-	-	¥490	490
Transactions subject to hedge accounting	-	5,765	-	5,765
Total derivatives transactions	-	¥5,765	¥490	¥6,255

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

As of March 31, 2023				Millions of yen
Category	Fair value			Total
	Level 1	Level 2	Level 3	
c. Bonds payable	-	¥820,644	-	¥820,644
d. Long-term borrowings	-	1,024,239	-	1,024,239
Total liabilities	-	¥1,844,884	-	¥1,844,884

As of March 31, 2024				Millions of yen
	Category	Level 1	Fair value Level 2	Level 3
c. Bonds payable	-	¥800,818	-	¥800,818
d. Long-term borrowings	-	1,031,072	-	1,031,072
Total liabilities	-	¥1,831,890	-	¥1,831,890

(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 borrowings, as they are accounted for as an integral part of the hedged long-term borrowings.

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 borrowings

The fair values of long-term borrowings 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, 2023			
Category	Valuation technique	Significant unobservable inputs	Range of Inputs
Derivative transactions			
Commodity options	Discounted cash flow (DCF) method	Volatility (%)	16.3

As of March 31, 2024			
Category	Valuation technique	Significant unobservable inputs	Range of Inputs
Derivative transactions			
Commodity options	Discounted cash flow (DCF) method	Volatility (%)	16.3

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

As of March 31, 2023	Millions of yen
Category	Derivatives transactions
	Commodity options
Balance at the beginning of the year	¥1,564
Profit or loss or other comprehensive income for the period	
Recognized in profit or loss (*)	103
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	240
Balance at the end of the year	1,908
Unrealized gains (losses) on financial assets and liabilities held at the end of the period recognized in profit or loss for the period*	¥103

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

As of March 31, 2024	Millions of yen
Category	Derivatives transactions
	Commodity options
Balance at the beginning of the year	¥1,908
Profit or loss or other comprehensive income for the period	
Recognized in profit or loss (*)	(1,549)
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	131
Balance at the end of the year	490
Unrealized gains (losses) on financial assets and liabilities held at the end of the period recognized in profit or loss for the period*	¥(1,549)

*Consists of "Others" in "Non-operating expenses" under the 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, 2023		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	¥30,812	¥15,047	¥15,764
Subtotal		30,812	15,047	15,764
Securities for which the amount recorded on the consolidated balance sheet does not exceed the acquisition cost	Stock	1,293	2,241	(947)
	Bonds	110	110	-
Subtotal		1,403	2,351	(947)
Total		¥32,216	¥17,399	¥14,817

As of March 31, 2024		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	¥44,381	¥13,177	¥31,204
Subtotal		44,381	13,177	31,204
Securities for which the amount recorded on the consolidated balance sheet does not exceed the acquisition cost	Stock	1,866	2,426	(559)
	Bonds	180	180	-
Subtotal		2,046	2,606	(559)
Total		¥46,428	¥15,783	¥30,645

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

Year ended March 31, 2023		Millions of yen		
	Proceeds from sales	Gain on sales	Loss on sales	
Stock	¥1,281	¥518	-	
Year ended March 31, 2024		Millions of yen		
	Proceeds from sales	Gain on sales	Loss on sales	
Stock	¥4,453	¥2,458	-	

Derivatives Transactions

1. Derivatives transactions not subject to hedge accounting

(1) Commodities

As of March 31, 2023		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	¥8,307	¥8,307	¥1,908	¥(6,398)

As of March 31, 2024		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	¥8,878	¥8,878	¥490	¥(8,388)

2. Derivatives transactions subject to hedge accounting

As of March 31, 2023			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	¥8,223	¥6,574	¥(485)
	Interest rate swaps pay/fixed receive/floating	Loans	310,496	273,849	6,385
	Commodity swaps pay/fixed receive/floating	Commodity	32,808	-	(7,561)
Special interest rate swaps	Interest rate swaps pay/fixed receive/floating	Loans	133,865	72,202	*
Total			¥485,395	¥352,626	¥(1,661)

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

As of March 31, 2024

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	¥7,643	¥5,716	¥4
	Interest rate swaps pay/fixed receive/floating	Loans	323,394	248,877	4,482
	Commodity swaps pay/fixed receive/floating	Commodity	22,697	-	1,278
Special interest rate swaps	Interest rate swaps pay/fixed receive/floating	Loans	72,202	30,813	*
Total			¥425,937	¥285,406	¥5,765

* Transactions subject to special interest rate swaps are settled as a combined sum with the long-term borrowings being hedged so the fair value is included in the fair value of the long-term borrowings 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 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 are unfunded, but some have become a funded type plan as a result of setting a retirement benefit trust) pay 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 in accordance with 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	
	2023	2024
Balance at the beginning of the year	¥142,632	¥135,967
Service cost	5,997	5,681
Interest cost	953	1,336
Incurred actuarial gain or loss	(6,642)	(6,413)
Retirement benefit payments	(7,005)	(5,308)
Other	32	18
Balance at the end of the year	¥135,967	¥131,281

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

Year ended March 31	Millions of yen	
	2023	2024
Balance at the beginning of the year	¥104,897	¥104,138
Expected return on plan assets	3,008	2,990
Incurred actuarial gain or loss	(2,497)	12,688
Funding by the Company and its subsidiaries	2,354	2,308
Retirement benefit payments	(3,624)	(4,396)
Balance at the end of the year	¥104,138	¥117,730

(3) The table sets forth the funding 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	
	2023	2024
Retirement benefit obligations of funded type plans	¥127,401	¥122,437
Plan assets	(104,138)	(117,730)
	23,262	4,706
Retirement benefit obligations of unfunded type plans	8,565	8,844
Net amount of liabilities and assets on the consolidated balance sheet	31,828	13,550
Retirement benefit liability	33,301	31,707
Retirement benefit asset	1,473	18,157
Net amount of liabilities and assets on the consolidated balance sheet	¥31,828	¥13,550

(4) Retirement benefit expenses

Year ended March 31	Millions of yen	
	2023	2024
Service cost	¥5,776	¥5,252
Interest cost	946	1,329
Expected return on plan assets	(2,980)	(2,963)
Amortization of actuarial gain or loss	(7,731)	(4,543)
Amortization of past service cost	(205)	(5)
Other	63	38
Retirement benefit expenses regarding defined benefit plans	¥(4,130)	¥(890)

(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:

Year ended March 31	Millions of yen	
	2023	2024
Past service cost	¥(205)	¥(5)
Actuarial gain or loss	(3,596)	14,552
Total	¥(3,801)	¥14,547

(6) Remeasurements of defined benefit plans

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

As of March 31	Millions of yen	
	2023	2024
Unrecognized past service cost	¥(40)	¥(35)
Unrecognized actuarial gain or loss	(7,918)	(22,470)
Total	¥(7,958)	¥(22,505)

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

Proportion of each type of asset is as follows:

As of March 31	2023	2024
Bonds	19%	20%
Stocks	30%	37%
General accounts	36%	31%
Other	15%	12%
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	2023	2024
Discount rate	1.0%	1.4%
Long-term expected rate of return on plan assets	2.9%	2.9%
Expected rate of increase in salary	3.6%	3.7%

Income Taxes

1. The significant components of deferred tax assets and liabilities

As of March 31	Millions of yen	
	2023	2024
Deferred tax assets		
Unrealized gain on non-current assets	¥16,148	¥16,471
Net operating loss carryforwards for tax purposes (Note)	16,176	11,250
Excess of depreciation of non-current assets	6,475	6,223
Retirement benefit liability	10,789	5,689
Amount assigned for bonuses, etc. but not yet paid	2,382	2,319
Excess of amortization of deferred assets for tax purposes	1,024	1,142
Other	42,247	39,850
Subtotal of deferred tax assets	95,243	82,946
Valuation allowance for net operating loss carryforwards for tax purposes (Note)	(1,151)	(1,224)
Valuation allowance for deductible temporary difference and others	(10,798)	(11,482)
Subtotal of valuation allowance	(11,950)	(12,706)
Total deferred tax assets	83,293	70,239
Deferred tax liabilities		
Retained earnings of foreign subsidiaries	(8,652)	(10,294)
Valuation difference on available-for-sale securities	(4,926)	(9,249)
Other	(37,916)	(36,664)
Total deferred tax liabilities	(51,495)	(56,207)
Net deferred tax assets	¥31,797	¥14,032

(Note)

The amounts of net operating loss carryforwards for tax purposes and associated deferred tax assets by expiry date are as follows:

As of March 31, 2023	Millions of yen		
	Net operating loss carryforwards for tax purposes (a)	Valuation allowance	Deferred tax assets
One year or less	¥977	¥(47)	¥930
Over one year to two years	65	(65)	0
Over two years to three years	166	(162)	3
Over three years to four years	181	(180)	0
Over four years to five years	346	(167)	178
Over five years	14,439	(528)	13,911
Total	¥16,176	¥(1,151)	(b) ¥15,024

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

(b) 15,024 million yen of deferred tax assets is recognized associated with 16,176 million yen of net operating loss carryforwards for tax purposes which is multiplied by the statutory tax rate. 15,024 million yen of deferred tax assets is recognized at the Company and consolidated subsidiaries as a part of 16,176 million yen of the balance of net operating loss carryforwards for tax purposes which is multiplied by the statutory tax rate. The net operating loss carryforwards for tax purposes which was recognized as deferred tax assets has been determined to be recoverable based on expected future taxable income.

As of March 31, 2024	Millions of yen		
	Net operating loss carryforwards for tax purposes (c)	Valuation allowance	Deferred tax assets
One year or less	¥44	¥(44)	¥0
Over one year to two years	77	(77)	-
Over two years to three years	117	(116)	0
Over three years to four years	103	(103)	-
Over four years to five years	86	(86)	-
Over five years	10,821	(796)	10,025
Total	¥11,250	¥(1,224)	(d) ¥10,026

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

(d) 10,026 million yen of deferred tax assets is recognized associated with 11,250 million yen of net operating loss carryforwards for tax purposes which is multiplied by the statutory tax rate. 10,026 million yen of deferred tax assets is recognized at the Company and consolidated subsidiaries as a part of 11,250 million yen of the balance of net operating loss carryforwards for tax purposes which is multiplied by the statutory tax rate. The net operating loss carryforwards for tax purposes which was recognized as deferred tax assets has been determined to be 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	2023	2024
Statutory tax rate	28.00%	-
(adjusted)		
Difference in normal effective statutory tax rate between the Company and its consolidated subsidiaries	2.04%	-
Retained earnings of foreign subsidiaries	(1.33)%	-
Valuation allowance	1.06%	-
Non-taxable income such as dividend income	(2.17)%	-
Other	0.07%	-
Effective tax rates	30.33%	-

(Note)

Notes have been omitted because the difference between the statutory tax rate and the effective tax rate is less than 5% of the statutory tax rate.

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 have adopted the group tax sharing system effective. In addition, in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF Report No. 42, August 12, 2021), the Company has accounted for and disclosed income taxes and local income taxes or tax effect accounting related to these taxes.

4. Adjustment of the amounts of deferred tax assets and deferred tax liabilities due to changes in the corporate tax rate and other tax rates.

In conjunction with the promulgation of the "Law to Amend Parts of the Local Tax Law, etc." (Law No. 4 of 2026) on March 30, 2024, for deferred tax assets and deferred tax liabilities related to temporary differences, etc. that are expected to be resolved in the consolidated fiscal year beginning on April 1, 2026, the statutory effective tax rate has been changed from 29.37% to 28.00% at some of our domestic consolidated subsidiaries. The impact of this change on the consolidated financial statements is not material.

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 an expected period of use of 0 to 35 years from the acquisition and discounting with discount rates between (0.1)% and 4.0%.

(3) Increase/decrease of the asset retirement obligations

Year ended March 31	Millions of yen	
	2023	2024
Balance at the beginning of the year	¥35,666	¥34,563
Liabilities incurred due to the acquisition of property, plant and equipment	82	1,228
Accretion expense	397	381
Increase due to estimate change	130	67
Liabilities settled	(719)	(1,659)
Other	(994)	412
Balance at the end of the year	¥34,563	¥34,993

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

For the year ended March 31, 2023	Reportable segments				Total
	Electric power	Electric power related	Overseas	Other	
	Electricity sales	¥1,362,461	-	¥274,321	-
Transmission services	49,599	-	-	-	49,599
Other	2,323	¥119,026	2,546	¥27,187	151,084
Revenue from contracts with customers	1,414,384	119,026	276,868	27,187	1,837,467
Other income	3,517	177	686	72	4,454
Sales to external customers	¥1,417,902	¥119,203	¥277,555	¥27,260	¥1,841,922

For the year ended March 31, 2024	Reportable segments				Total
	Electric power	Electric power related	Overseas	Other	
	Electricity sales	¥845,624	-	¥257,049	-
Transmission services	48,586	-	-	-	48,586
Other	2,702	¥82,701	2,166	¥16,201	103,772
Revenue from contracts with customers	896,914	82,701	259,216	16,201	1,255,033
Other income	2,562	281	48	71	2,964
Sales to external customers	¥899,476	¥82,983	¥259,264	¥16,273	¥1,257,998

(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.

Millions of yen

Year ended March 31	2023	2024
Less than 1 year	¥559	¥120,984
More than 1 year but less than 3 years	168,447	114,218
More than 3 years	78,043	107,993
Total	¥247,050	¥343,196

Segment Information, etc.

(Segment Information)

1. Overview of reportable segments

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), 76 subsidiaries and 104 affiliates (as of March 31, 2024), 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 the transmission business through a subsidiary that owns power transmission and transformation facilities. This subsidiary provides transmission services to nine transmission and distribution companies, excluding The Okinawa Electric Power Company.

The Group's business is divided into four reportable segments: "Electric Power Business," which engages in the main power business conducted by the parent company, subsidiaries and affiliates; "Electric Power Related Business," which complements and contributes to the smooth and efficient execution of our electric power business; "Overseas Business," which engages in overseas power generation and related business ; and "Other Business," engages in various activities, including the sale of coal, that fully utilize the Group's management resources and expertise.

2. Method of calculating sales, income (loss), assets and other items for each 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 profit. Intersegment internal revenue and transferred amounts are based on current market prices.

3. Information pertaining to sales, income (loss), assets and other items for each reportable segments

For the year ended March 31, 2023

	Reportable segments					Adjustments *1	Consolidated *2
	Electric power	Electric power related	Overseas	Other	Total		
Sales							
Sales to external customers	¥1,417,902	¥119,203	¥277,555	¥27,260	¥1,841,922	-	¥1,841,922
Intersegment sales and transfer	2,394	202,534	-	2,062	206,992	¥(206,992)	-
Total sales	1,420,297	321,738	277,555	29,323	2,048,914	(206,992)	1,841,922
Segment income	54,591	92,831	22,692	1,805	171,921	(1,128)	170,792
Segment assets	2,299,090	308,661	918,385	15,853	3,541,990	(179,304)	3,362,685
Other items							
Depreciation and amortization	77,749	11,932	20,075	342	110,100	(2,458)	107,642
Interest income	96	741	2,678	50	3,566	(94)	3,472
Interest expenses	11,349	274	15,761	76	27,462	(94)	27,368
Equity income (loss) of affiliates	(433)	-	9,562	-	9,128	-	9,128
Investment in affiliates	22,476	-	258,811	-	281,288	-	281,288
Increase in tangible and intangible non-current assets	¥107,280	¥4,694	¥12,964	¥481	¥125,420	¥(3,613)	¥121,806

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

- (1) The adjustment amount of (1,128) million yen in segment income includes the elimination of transaction amounts between segments of (1,152) million yen.
- (2) The adjustment amount of (179,304) million yen in segment assets includes the elimination of (177,836) million yen for the offsetting of receivables.
- (3) The adjustment amount of (2,458) million yen in depreciation and amortization includes the elimination of transaction amounts between segments of (2,413) 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 profit on consolidated financial statements.

For the year ended March 31, 2024

Millions of yen

	Reportable segments					Adjustments *1	Consolidated *2
	Electric power	Electric power related	Overseas	Other	Total		
Sales							
Sales to external customers	¥899,476	¥82,983	¥259,264	¥16,273	¥1,257,998	-	¥1,257,998
Intersegment sales and transfer	2,354	192,499	-	992	195,845	¥(195,845)	-
Total sales	901,830	275,482	259,264	17,265	1,453,844	(195,845)	1,257,998
Segment income	21,988	53,353	44,305	160	119,808	(1,273)	118,535
Segment assets	2,360,106	337,713	947,636	15,041	3,660,497	(184,748)	3,475,749
Other items							
Depreciation and amortization	78,664	10,376	23,422	335	112,799	(2,486)	110,313
Interest income	75	3,709	3,687	46	7,519	(72)	7,447
Interest expenses	12,245	219	18,469	75	31,010	(72)	30,937
Equity income (loss) of affiliates	(1,313)	-	25,863	-	24,550	-	24,550
Investment in affiliates	27,225	-	268,585	-	295,810	-	295,810
Increase in tangible and intangible non-current assets	¥113,128	¥6,444	¥3,842	¥87	¥123,501	¥(3,693)	¥119,808

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

- (1) The adjustment amount of (1,273) million yen in segment income includes the elimination of transaction amounts between segments of (1,297) million yen.
- (2) The adjustment amount of (184,748) million yen in segment assets includes the elimination of (183,073) million yen for the offsetting of receivables.
- (3) The adjustment amount of (2,486) million yen in depreciation and amortization includes the elimination of transaction amounts between segments of (2,447) 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 profit on consolidated financial statements.

(Related Information)

For the year ended March 31, 2023

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
¥1,442,713	¥225,867	¥173,340	¥1,841,922

(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
¥1,625,122	¥276,660	¥171,949	¥2,073,732

3. Sales to main customers

		Millions of yen	
		Amount of sales	Related segment
Japan Electric Power Exchange (JEPX)		¥ 295,927	Electric power business
The Chugoku Electric Power Company, Incorporated		259,412	Electric power business
Electricity Generating Authority of Thailand (EGAT)		¥ 206,755	Overseas business

For the year ended March 31, 2024

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
¥921,877	¥227,905	¥108,215	¥1,257,998

(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
¥1,654,819	¥285,855	¥178,702	¥2,119,377

3. Sales to main customers

		Millions of yen	
		Amount of sales	Related segment
Electricity Generating Authority of Thailand (EGAT)		¥ 205,016	Overseas business
Japan Electric Power Exchange (JEPX)		188,195	Electric power business
The Chugoku Electric Power Company, Incorporated		¥ 144,034	Electric power business

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

For the year ended March 31, 2023

					Millions of yen
	Electric power	Electric power related	Overseas	Other	Total
Impairment loss	¥1,672	¥0	-	-	¥1,673

For the year ended March 31, 2024

The information is omitted due to lack of materiality.

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

For the year ended March 31, 2023

Not applicable.

For the year ended March 31, 2024

Not applicable.

(Information about gain on negative goodwill by reportable segments)

For the year ended March 31, 2023

Not applicable.

For the year ended March 31, 2024

Not applicable.

(Related Party Information)**1. Summary of financial information of important affiliates**

For the year ended March 31, 2023

Not applicable.

For the year ended March 31, 2024

Not applicable.

Per Share Information

Year ended March 31	Yen	
	2023	2024
Net assets per share	¥5,931.68	¥6,649.11
Earnings per share	¥621.50	¥425.31

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

2. In the calculation of net assets per share, Company shares held by the Trust accounts related to the stock-based compensation system for officers are included in treasury shares which is deducted from the calculation of the total number of issued shares at the end of the period (185 thousand shares for the previous fiscal year, 177 thousand shares for the current fiscal year). In addition, for the calculation of earnings per share, Company shares held by the same Trust accounts are included in treasury shares, which is deducted from the calculation of the average number of shares outstanding during the fiscal year (119 thousand shares for the previous fiscal year, 179 thousand shares for the current fiscal year).

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

Year ended March 31		2023	2024
Profit attributable to owners of parent	Millions of yen	¥113,689	¥77,774
Amount not attributable to ordinary shareholders	Millions of yen	-	-
Profit attributable to owners of parent related to common stock	Millions of yen	113,689	77,774
Weighted average number of common stock outstanding during the year	Thousands of shares	¥182,928	¥182,868

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

As of March 31		2023	2024
Total net assets	Millions of yen	¥1,192,743	¥1,333,078
Amount deducted from total net assets	Millions of yen	108,064	117,156
(non-controlling interests included in the above)	Millions of yen	(108,064)	(117,156)
Year-end net assets related to common stock	Millions of yen	1,084,679	1,215,922
The number of common stock used in the calculation of net assets per share	Thousands of shares	¥182,861	¥182,869

Significant subsequent events

(Change in segment classification)

At its meeting on May 9, 2024, the Board of Directors of the Company resolved to adopt the J-POWER Group Medium-Term Management Plan for 2024-2026, which covers the three-year period from FY2024. Based on the Plan, the Company decided to change the reporting segments from the year ending March 31, 2025. This is intended to encourage autonomous business operations within the new segments and increase business value by appropriately representing the business segments and actual business activities based on the characteristics of each of the businesses operated by the Company.

Overview of reporting segments classification

Reporting segments Current		Reporting segments After Changes	Details of changes
1. Electric Power Business	→	1. Power Generation Business	Segment renamed
		2. Transmission and Transformation Business	Partial reclassification of target companies
2. Electric Power Related Business	→	3. Electric Power Related Business	Partial reclassification of target companies
3. Overseas Business	→	4. Overseas Business	No change
4. Other Business	→	5. Other Business	No change

Power Generation Business	Engages in the power generation business, utilizing power plants owned by J-POWER Group companies including hydro, thermal, and wind facilities, as well as the maintenance and operation of these facilities. Additionally, the Group sells electricity procured from the wholesale power trading market.
Transmission and Transformation Business	Engages in the transmission business through a subsidiary owned power transmission and transformation facilities. This subsidiary provides transmission services to nine transmission and distribution companies, excluding The Okinawa Electric Power Company.
Electric Power Related Business	Engages in complementing and contributing to the smooth and efficient execution of the Power Generation Business and Transmission and Transformation Business.
Overseas Business	Engages in overseas power generation business and related businesses.
Other Business	Engages in activities, including the sale of coal, that fully utilize J-POWER Group's management resources and expertise.

Information on sales and profit by reportable segment for the year according to the new reportable segment classification is as follows.

Year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Unit: million yen)

	Reporting segments						Adjustments *1	Consolidated *2
	Power Generation Business	Transmission and Transformation Business	Electric Power Related Business	Overseas Business	Other Business	Total		
Sales								
Sales to external customers	855,652	48,928	77,879	259,264	16,273	1,257,998	-	1,257,998
Intersegment sales and transfer	19,867	643	41,766	-	992	63,270	(63,270)	-
Total sales	875,519	49,572	119,646	259,264	17,265	1,321,268	(63,270)	1,257,998
Segment income	20,374	7,306	47,174	44,305	160	119,323	(787)	118,535

*1 Adjustments represent inter-segment eliminations.

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

(Conclusion of an Equity Interest Transfer Agreement Resulting in a Change in an Equity-Method Affiliate)

On June 28, 2024, Electric Power Development Co., Ltd. (J-POWER) decided to transfer its entire equity interest in Green Country Energy, LLC, a company in which J-POWER has a 50% equity interest through its wholly owned subsidiary, J-POWER North America Holdings Co., Ltd., to Public Service Company of Oklahoma. In response to this, Green Country Holding LLC, the direct parent company of Green Country Energy, LLC and in which J-POWER holds a 50% equity interest, entered into an equity interest transfer agreement on the same day.

Going forward, J-POWER will proceed with various procedures in the U.S., including obtaining the necessary permits and approvals, in preparation for the transfer. However, changes to the transfer or the possibility that the transfer may not be executed could occur due to approvals from the federal and state governments in the United States or other contractual conditions.

If this transfer is executed, Green Country Energy, LLC will no longer be an equity-method affiliate of J-POWER.

(1) Reason for the Transfer

To effectively utilize management resources and improve asset efficiency.

(2) Name of the Company to Which the Transfer is Made

Public Service Company of Oklahoma (a wholly owned subsidiary of American Electric Power Company, Inc.)

(3) Timing of the Transfer

The transfer will be executed as soon as the procedures, including obtaining the necessary permits and approvals, are completed (scheduled for the next fiscal year).

(4) Overview of the Equity-Method Affiliate

Company Name: Green Country Energy, LLC

Business: Gas-fired power generation business

(5) Capital Gain and Equity Interest after the Transfer

Capital gain: We expect to record Share of profit of entities accounted for using equity method at the time of the transfer. The amount is currently under review.

Equity interest after the transfer: -%

(Acquisition of Genex Power Limited)

On April 12, 2024, J-POWER decided to begin procedures to acquire 100% of the issued shares (the “share acquisition”) of Genex Power Limited (“Genex”) and convert Genex into a subsidiary.

For the share acquisition, J-POWER plans to purchase the shares held by all shareholders of Genex with cash through a wholly owned subsidiary designated by J-POWER using a scheme of arrangement (“SOA”) procedure under Australia’s Corporations Act, one of the methods for acquiring 100% of the shares of a company listed in Australia. J-POWER entered a transaction implementation deed with Genex, which sets out the terms of the agreement for the share acquisition.

On the execution date of July 31, 2024, Genex becomes a subsidiary of our company J-POWER, following the approval of the SOA at Genex’s shareholders’ meeting and by the Supreme Court of New South Wales, Australia.

(1) Reasons for the share acquisition

In line with J-POWER’s corporate philosophy that states “We will meet people’s needs for energy without fail, and play our part in the sustainable development of Japan and the rest of the world,” J-POWER has strived for over 70 years to efficiently supply stable sources of electricity and has expanded business operations globally. Today, balancing a stable energy supply with a response to climate change is the most critical issue for the sustainability of human civilization. Given this situation, J-POWER formulated J-POWER BLUE MISSION 2050 in February 2021 and accelerated initiatives to achieve a carbon-neutral and hydrogen-based world by 2050.

In Australia, the federal government submitted a target to the United Nations in June 2022 to reduce greenhouse gas emissions by 43% from 2005 levels by 2030 and to achieve net zero emissions for the entire country by 2050. Australia is expected to introduce approximately 40 GW of renewable energy and approximately 30 GW of energy storage facilities by 2035. Genex is developing a “clean energy hub” consisting of solar, pumped hydro, and wind power generation at the Kidston site in Queensland. J-POWER has built a deep relationship of trust with Genex since 2020 through the joint development of renewable energy projects. By accelerating the development of renewable energy and energy storage facilities together with Genex through the share acquisition, J-POWER is confident of significantly contributing to achieving the Australian government’s greenhouse gas emission reduction targets and goals of J-POWER’s BLUE MISSION 2050.

(2) Name, business description and size of the acquired company

I. Name

Genex Power Limited

II. Business description

Development, construction, and operation of renewable energy and energy storage facilities

III. Capital

AUD241 million

(3) Schedule of share transfer execution date

July 31, 2024

(4) Number of shares to be acquired, acquisition price, and status of shares owned after acquisition

I. Number of shares to be acquired

1,278,187,135 shares

II. Acquisition price

37,610 million yen (AUD351 million) (Calculated at AUD1 = 107.00 yen)

III. Percentage of equity after acquisition

100%

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, 2023	March 31, 2024			
		Millions of yen	Millions of yen	%		
3	Mar. 2, 2004	¥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	14,995	14,996	2.220	Unsecured	Dec. 20, 2028
38	Dec. 16, 2013	20,000	-	0.978	Unsecured	Dec. 20, 2023
39	Feb. 24, 2014	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	-	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	30,000	0.310	Unsecured	May 20, 2031
74	May 20, 2021	10,000	10,000	0.620	Unsecured	May 20, 2041
75	Oct. 21, 2021	20,000	20,000	0.350	Unsecured	Oct. 20, 2031
76	Jan. 20, 2022	10,000	10,000	0.310	Unsecured	Jan. 20, 2032
77	May 26, 2022	10,000	10,000	0.400	Unsecured	May 20, 2027
78	May 26, 2022	10,000	10,000	0.624	Unsecured	May 20, 2032
79	Jul. 12, 2022	23,900	23,900	0.350	Unsecured	Jul. 18, 2025
80	Aug. 24, 2022	18,000	18,000	0.615	Unsecured	Aug. 20, 2029
81	Aug. 24, 2022	137,000	13,700	1.200	Unsecured	Aug. 20, 2042
82	Nov. 17, 2022	17,000	17,000	1.000	Unsecured	Nov. 19, 2032
83	Dec. 7, 2022	15,000	15,000	0.450	Unsecured	Apr. 26, 2026
84	Feb. 16, 2023	20,000	20,000	0.754	Unsecured	Feb. 18, 2028
85	Mar. 15, 2023	10,000	10,000	0.872	Unsecured	Oct. 31, 2029
86	May 30, 2023	-	20,000	0.930	Unsecured	May 20, 2033
87	Feb. 16, 2024	-	20,000	1.106	Unsecured	Feb. 20, 2034
88	Feb. 16, 2024	-	5,000	1.754	Unsecured	Feb. 20, 2043
Esashi Green Energy Co., Ltd. straight bond						
1	Feb. 14, 2022	770	770	2.700	Unsecured	Feb. 16, 2032
Ishikari Green Energy Co., Ltd. straight bond						
1	Mar. 18, 2022	720	720	2.700	Unsecured	Mar. 18, 2032
Total		¥844,085	¥819,086	-	-	-

(Notes) 1. The balance as of March 31, 2024 regarding bonds No.5, No.8, No.11, No.40, No.41 are redeemable within one year.

2. The amounts redeemable within five years after March 31, 2024 are as follows;

	Millions of yen
Due in one year or less	¥90,000
Due after one year through two years	93,900
Due after two years through three years	55,000
Due after three years through four years	100,000
Due after four years through five years	¥75,000

Schedule of borrowings, etc.

Category	Balance as of	Balance as of	Average	Repayment date
	April 1, 2023	March 31, 2024	rate of interest	
	Millions of yen	Millions of yen	%	
Long-term borrowings				From Apr. 1, 2025
(excluding current portion)	¥893,363	¥932,304	2.403	To Mar. 31, 2042
Lease liabilities				From Apr. 1, 2025
(excluding current portion)	1,695	1,210	-	To Apr. 28, 2039
Current portion of long-term borrowings	134,953	105,387	1.706	-
Current portion of lease liabilities	1,010	1,044	-	-
Short-term borrowings	10,715	8,031	0.233	-
Total	¥1,041,738	¥1,047,978	-	-

- (Notes) 1. The average rate of interest is the weighted average rate of interest for loans as of March 31, 2024.
2. The average rate of interest for “Lease liabilities (excluding current portion)” and “Current portion of lease liabilities” is not presented as the amounts of lease liabilities on the consolidated balance sheets include the interest portion.
3. The scheduled redemption amount of repayment of “Long-term borrowings (excluding current portion)” and “Lease liabilities (excluding current portion)” within five years after March 31, 2024 are as follows;

Category	Millions of yen	
	Long-term borrowings	Lease liabilities
Due after one year through two years	¥118,792	¥700
Due after two years through three years	128,782	122
Due after three years through four years	179,157	52
Due after four years through five years	¥65,435	¥35

Schedule of Asset Retirement Obligations

Category	Millions of yen			
	Balance as of April 1, 2023	Increase	Decrease	Balance as of March 31, 2024
Restoration obligations due to real estate lease agreement	¥18,310	¥1,294	¥1,523	¥18,081
Restoration obligation due to the electric power sales contract in overseas business	5,547	639	-	6,187
Other	¥10,705	¥556	¥537	¥10,724

Independent Auditor’s Report

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

The Audit of the Consolidated Financial Statements

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, 2024, 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, 2024, 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 project	
Description of Key Audit Matter	Auditor’s Response
The Company recorded construction in progress of ¥576,118 million on its consolidated balance sheet as of March 31, 2024, which represents 17% of total assets. This includes construction in progress related to the Ohma Nuclear Power Plant project.	In considering the reasonableness of the evaluation of the construction in progress related to the Ohma Nuclear Power Plant project, we performed the following audit procedures, among others. 1. To assess the necessity of the Ohma

<p>The Ohma Nuclear Power Plant project, a construction project for a nuclear power plant using uranium-plutonium mixed oxide (“MOX”) fuel for the entire core, was approved by the municipality of Ohma as well as Aomori Prefecture and was included in the national Electric Power Development Master Plan in August 1999. Construction began 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. 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, and a review of compliance with the New Safety Standards concerning nuclear power plants promulgated by the NRA is currently being performed. The Company aims to begin additional construction in the second half of 2024 and complete it in the second half of 2029.</p> <p>As described in Significant Accounting Estimates in Notes to Consolidated Financial Statements, since the construction process for the Ohma Nuclear Power Plant project was extended, the Company evaluated construction in progress related to the project and, as a result, no loss was recognized since the total undiscounted future cash flows exceeded the carrying amount.</p> <p>As described in Significant Accounting Estimates in 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. Given that these assumptions involve subjectivity and uncertainty and require significant management judgment, and that the total amount of undiscounted future cash flows is significantly affected by the assessment and judgment of management, we determined that valuation of construction in progress is a key audit matter.</p>	<p>Nuclear Power Plant project, we:</p> <ul style="list-style-type: none"> ● reviewed the basic policy aimed at implementing the green transformation (February, 2023; Cabinet decision) which sets forth national nuclear energy policy subsequent to the Sixth Strategic Energy Plan (October 2021, Cabinet decision) that laid out the government’s approach to plutonium-thermal power generation as part of the revised national energy policy and the Act for Partial Revision of the Electricity Business Act and Other Acts for Establishing Electricity Supply Systems for Realizing a Decarbonized Society (May 31, 2023; passed by the Diet) and the Strategy for Promoting Structural Transition based on Decarbonization (July 28, 2023; Cabinet decision) in order to materialize and carry out the policy; ● inspected the latest Plans for the Utilization of Plutonium (February 16, 2024; Federation of Electric Power Companies of Japan) to review the utilization of plutonium as MOX fuel, taking into account the Basic Principles for the Utilization of Plutonium in Japan (July 2018; Atomic Energy Commission); and ● reviewed materials and minutes regarding the review of compliance released by the NRA, made a site visit to the location of the Ohma Nuclear Power Plant, and made inquiries of management regarding the status of the review of compliance by the NRA and the effect on upcoming construction of the Ohma Nuclear Power Plant, <p>2. To evaluate the reasonableness of estimates of undiscounted future cash flows, we:</p> <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
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	<p>directors;</p> <ul style="list-style-type: none"> ● reviewed documents such as the basic agreement with nine former General Electricity Utilities regarding the Ohma Nuclear Power Plant to assess future sales revenue and made inquiries of management regarding the agreement requiring that the nine former General Electricity Utilities purchase the total amount of electricity generated at a fair cost and the status of discussions with the nine former General Electricity Utilities in light of the progress of electricity system reform; ● 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 the assumptions for the estimates; ● 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 made inquiries of management regarding the effect of changes in economic conditions thereafter; and ● involved valuation specialists from our network firm to assess the valuation methodologies used in calculating undiscounted future cash flows.
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Recoverability of deferred tax assets	
Description of Key Audit Matter	Auditor's Response
As described in Significant Accounting Estimates and Income Taxes in Notes to Consolidated Financial Statements, the Company recorded deferred tax assets of ¥41,709 million on its consolidated balance sheet as of March 31, 2024.	In considering the recoverability of deferred tax assets, we performed the following audit procedures, among others. <ul style="list-style-type: none"> ● To assess the appropriateness of the Company's evaluation of the recoverability of deferred tax assets, we reviewed documents related to the

<p>As described in Income Taxes in Notes to Consolidated Financial Statements, the Company adopted the group tax sharing system. In addition, the Company adopted "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF Report No. 42) for the accounting treatment and disclosure of tax effect accounting related to income taxes and local income taxes.</p> <p>As described in Significant Accounting Estimates in Notes to Consolidated Financial Statements, deferred tax assets are recorded in the amount deemed recoverable based on the best estimate of future taxable income in accordance with the Group's business plans, etc.</p> <p>The determination of corporate classification in accordance with "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26), which forms the basis for determining the recoverable amount, and electricity sales volume, fuel prices, and electricity market prices, which are assumptions underlying the estimate of future taxable income, are affected by the outlook on electricity demand, changes in the power source composition as a result of factors such as phasing out of inefficient coal-fired power plants, and the change in the supply and demand for resources given current international and economic conditions, and thus involve subjectivity and uncertainty. Furthermore, the recoverable amount is significantly affected by management's evaluations and judgements. Accordingly, we determined that the recoverability of deferred tax assets is a key audit matter.</p>	<p>occurrence of taxable income for the past three years and the current fiscal year and the utilization of tax loss carryforwards for the current fiscal year and the following fiscal years.</p> <ul style="list-style-type: none"> ● To assess management's process for developing business plans, we compared business plans developed in prior fiscal years with the actual results through the current fiscal year. ● To understand the planned figures forming the basis for the estimate of future taxable income, we reviewed the minutes of board of directors meetings and compared planned figures with the business plan approved by management. ● To assess the electricity sales volume included in the future business plan, we held discussions with management and compared the electricity sales volume with the historical volume and related documents. In addition, we compared electricity sales volume with data related to change in the generated electricity volume classified by power source and information on future demand of electricity volume released by external organizations. ● To assess the fuel prices included in the future business plan, we compared them with the historical prices and forecast 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 forecast data published by third parties. ● To evaluate management's assessment of estimation uncertainty in the future business plan, we performed sensitivity analysis of fluctuations in fuel prices and electricity market prices.
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Other Information

Other information comprises the information included in disclosure documents that contain audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

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

Responsibilities of Management, the Audit & Supervisory Committee 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 Committee is 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 Committee 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 Committee 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, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit & Supervisory Committee, 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.

Fee-related Information

The fees for the audits of the financial statements of Electric Power Development Co., Ltd. and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2024 are 349 million yen and 59 million yen, respectively.

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

July 31, 2024

佐藤 森夫

Morio Sato
Designated Engagement Partner
Certified Public Accountant

齋藤 克宏

Katsuhiko Saito
Designated Engagement Partner
Certified Public Accountant

前田 康雄

Yasuo Maeda
Designated Engagement Partner
Certified Public Accountant