Consolidated Financial Statements
Electric Power Development Co., Ltd.
and Consolidated Subsidiaries

For the year ended March 31, 2026

with Independent Auditor's Report

Consolidated Balance Sheet

As of March 31	2025		2026	
			Millions of yen	
Assets				
Non-current assets	¥2,995,032		**¥3,073,458**	
Electric utility plant and equipment	1,085,212	1) 2)	**1,071,256**	**1) 2)**
Hydroelectric power production facilities	383,092		**382,320**	
Thermal power production facilities	343,141		**335,966**	
Renewable power production and related facilities	132,060		**125,184**	
Transmission facilities	132,446		**132,442**	
Transformation facilities	32,752		**34,829**	
Communication facilities	6,594		**6,928**	
General facilities	55,125		**53,584**	
Overseas business facilities	529,667	2) 8)	**515,501**	**2) 8)**
Other non-current assets	89,404	1) 2)	**85,718**	**1) 2)**
Construction in progress	693,372	2) 8)	**774,903**	**8)**
Construction in progress	693,372		**774,903**	
Nuclear fuel	77,556		**78,377**	
Nuclear fuel in processing	77,556		**78,377**	
Investments and other assets	519,818		**547,700**	
Long-term investments	439,466	3) 8)	**449,524**	**3) 8)**
Retirement benefit asset	25,771		**43,910**	
Deferred tax assets	32,939		**27,416**	
Other	21,713	8)	**27,023**	**8)**
Allowance for doubtful accounts	(71)		**(174)**	
Current assets	673,708		**666,243**	
Cash and deposits	308,995	8)	**396,964**	**8)**
Notes and accounts receivable - trade, and contract assets	112,210	5) 8)	**110,003**	**5) 8)**
Inventories	72,191	4) 8)	**77,338**	**4) 8)**
Other	180,314	8)	**81,940**	**8)**
Allowance for doubtful accounts	(3)		**(3)**	
Total assets	¥3,668,740		**¥3,739,701**	

Millions of yen

As of March 31	2025		2026	
Liabilities				
Non-current liabilities	¥1,791,881		**¥1,806,997**	
Bonds payable	652,987		**678,987**	
Long-term borrowings	998,134	8)	**989,700**	**8)**
Lease liabilities	2,035		**1,905**	
Other provisions	126	7)	**890**	**7)**
Retirement benefit liability	29,065		**25,648**	
Asset retirement obligations	39,153		**42,525**	
Deferred tax liabilities	28,575		**20,526**	
Other	41,803		**46,813**	
Current liabilities	413,357		**398,227**	
Current portion of non-current liabilities	221,532	8)	**204,980**	**8)**
Short-term borrowings	8,133		**8,270**	
Notes and accounts payable - trade	61,997		**55,644**	
Accrued taxes	26,228		**16,832**	
Other provisions	848	7)	**934**	**7)**
Asset retirement obligations	599		**664**	
Other	94,017	6)	**110,900**	**6)**
Total liabilities	2,205,238		**2,205,224**	
Net assets				
Shareholders' equity	1,111,520		**1,131,506**	
Share capital	180,502		**180,502**	
Capital surplus	128,178		**128,178**	
Retained earnings	803,189		**843,600**	
Treasury shares	(349)		**(20,774)**	
Accumulated other comprehensive income	224,513		**273,961**	
Valuation difference on available-for-sale securities	30,817		**48,971**	
Deferred gains or losses on hedges	16,408		**16,948**	
Foreign currency translation adjustment	165,112		**187,449**	
Remeasurements of defined benefit plans	12,174		**20,591**	
Non-controlling interests	127,467		**129,008**	
Total net assets	1,463,502		**1,534,476**	
Total liabilities and net assets	¥3,668,740		**¥3,739,701**	

Consolidated Statement of Income

	Millions of yen	
Year ended March 31	2025	**2026**
Operating revenue	¥1,316,674 1)	**¥1,182,260 1)**
Electric utility operating revenue	988,687	**886,056**
Overseas business operating revenue	244,673	**227,896**
Other business operating revenue	83,313	**68,307**
Operating expenses	1,178,363 2) 3)	**1,081,267 2) 3)**
Electric utility operating expenses	906,850	**826,320**
Overseas business operating expenses	206,631	**189,390**
Other business operating expenses	64,882	**65,556**
Operating profit	138,310	**100,992**
Non-operating income	39,976	**97,396**
Dividend income	2,605	**2,350**
Interest income	9,424	**10,155**
Share of profit of entities accounted for using equity method	14,464	**63,878**
Other	13,482	**21,011**
Non-operating expenses	38,192	**39,857**
Interest expenses	33,002	**31,929**
Other	5,189 4)	**7,928**
Total ordinary revenue	1,356,651	**1,279,657**
Total ordinary expenses	1,216,555	**1,121,125**
Ordinary profit	140,095	**158,532**
Extraordinary losses	-	**51,817**
Impairment losses	-	**32,988 4)**
Loss on retirement of non-current assets	-	**18,829 5)**
Profit before income taxes	140,095	**106,714**
Income taxes-current	28,795	**46,915**
Income taxes-deferred	8,769	**(14,033)**
Total income taxes	37,564	**32,881**
Profit	102,530	**73,833**
Profit attributable to non-controlling interests	10,060	**15,296**
Profit attributable to owners of parent	¥92,469	**¥58,537**

Consolidated Statement of Comprehensive Income

	Millions of yen	
Year ended March 31	2025	**2026**
Profit	¥102,530	**¥73,833**
Other comprehensive income		
Valuation difference on available-for-sale securities	4,260	**18,150**
Deferred gains or losses on hedges	(4,566)	**(2,300)**
Foreign currency translation adjustment	44,344	**26,026**
Remeasurements of defined benefit plans, net of tax	(3,848)	**8,417**
Share of other comprehensive income of entities accounted for using equity method	14,312	**1,098**
Total other comprehensive income	54,502 1)	**51,393 1)**
Comprehensive income	157,033	**125,226**
(Comprehensive income attributable to)		
Owners of parent	139,564	**107,985**
Non-controlling interests	¥17,468	**¥17,241**

Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2025

Millions of yen

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	¥180,502	¥128,178	¥729,940	¥(362)	¥1,038,258
Changes during period					
Dividends of surplus			(19,219)		(19,219)
Profit attributable to owners of parent			92,469		92,469
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				13	13
Net changes in items other than shareholders' equity					
Total changes during period	-	-	73,249	13	73,262
Balance at end of period	¥180,502	¥128,178	¥803,189	¥(349)	¥1,111,520

Millions of yen

	Accumulated other comprehensive income						
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of period	¥26,855	¥15,434	¥119,358	¥16,072	¥177,720	¥117,156	¥1,333,135
Changes during period							
Dividends of surplus							(19,219)
Profit attributable to owners of parent							92,469
Purchase of treasury shares							(0)
Disposal of treasury shares							13
Net changes in items other than shareholders' equity	3,962	974	45,754	(3,898)	46,792	10,311	57,104
Total changes during period	3,962	974	45,754	(3,898)	46,792	10,311	130,366
Balance at end of period	¥30,817	¥16,408	¥165,112	¥12,174	¥224,513	¥127,467	¥1,463,502

For the year ended March 31, 2026

Millions of yen

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	¥180,502	¥128,178	¥803,189	¥(349)	¥1,111,520
Changes during period					
Dividends of surplus			(18,126)		(18,126)
Profit attributable to owners of parent			58,537		58,537
Purchase of treasury shares				(20,459)	(20,459)
Disposal of treasury shares				35	35
Net changes in items other than shareholders' equity					
Total changes during period	-	-	40,410	(20,424)	19,985
Balance at end of period	¥180,502	¥128,178	¥843,600	¥(20,774)	¥1,131,506

Millions of yen

	Accumulated other comprehensive income						
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of period	¥30,817	¥16,408	¥165,112	¥12,174	¥224,513	¥127,467	¥1,463,502
Changes during period							
Dividends of surplus							(18,126)
Profit attributable to owners of parent							58,537
Purchase of treasury shares							(20,459)
Disposal of treasury shares							35
Net changes in items other than shareholders' equity	18,153	539	22,337	8,417	49,448	1,540	50,989
Total changes during period	18,153	539	22,337	8,417	49,448	1,540	70,974
Balance at end of period	¥48,971	¥16,948	¥187,449	¥20,591	¥273,961	¥129,008	¥1,534,476

Consolidated Statement of Cash Flows

		Millions of yen
Year ended March 31	2025	**2026**
Cash flows from operating activities		
Profit before income taxes	¥140,095	**¥106,714**
Depreciation and amortization	116,405	**116,074**
Impairment losses	18	**32,988**
Loss on retirement of non-current assets	5,818	**24,082**
Increase (decrease) in retirement benefit liability	(3,248)	**(664)**
Interest and dividend income	(12,030)	**(12,506)**
Interest expenses	33,002	**31,929**
Decrease (increase) in trade receivables	(9,702)	**4,346**
Decrease (increase) in inventories	9,399	**(4,775)**
Increase (decrease) in trade payables	11,509	**(6,301)**
Share of loss (profit) of entities accounted for using equity method	(14,464)	**(63,878)**
Other, net	(3,150)	**(28,947)**
Subtotal	273,652	**199,063**
Interest and dividends received	31,471	**108,492**
Interest paid	(32,878)	**(31,776)**
Income taxes paid	(21,910)	**(51,512)**
Net cash provided by (used in) operating activities	250,335	**224,265**
Cash flows from investing activities		
Purchase of non-current assets	(123,920)	**(177,384)**
Investments and loan advances	(12,352)	**(12,533)**
Proceeds from divestments and collection of loans receivable	5,231	**8,521**
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(28,762) 2)	**—**
Net decrease (increase) in time deposits	18,116	**(4,536)**
Other, net	18,857	**(7,315)**
Net cash provided by (used in) investing activities	(122,830)	**(193,248)**
Cash flows from financing activities		
Proceeds from issuance of bonds	17,736	**80,705**
Redemption of bonds	(90,000)	**(93,900)**
Proceeds from long-term borrowings	80,637	**129,850**
Repayments of long-term borrowings	(109,088)	**(124,345)**
Proceeds from short-term borrowings	34,598	**32,399**
Repayments of short-term borrowings	(34,522)	**(32,265)**
Purchase of treasury shares	(0)	**(20,459)**
Dividends paid	(19,210)	**(18,117)**
Dividends paid to non-controlling interests	(12,155)	**(15,513)**
Other, net	(1,693)	**(2,574)**
Net cash provided by (used in) financing activities	(133,697)	**(64,219)**
Effect of exchange rate change on cash and cash equivalents	8,614	**8,982**
Net increase (decrease) in cash and cash equivalents	2,422	**(24,220)**
Cash and cash equivalents at beginning of period	370,663	**373,085**
Cash and cash equivalents at end of period	¥373,085 1)	**¥348,865 1)**

Notes to Consolidated Financial Statements

For the years ended March 31, 2025 and 2026

Summary of significant accounting policies

1. Scope of consolidation

Number of consolidated subsidiaries: 109

The accompanying consolidated financial statements include the accounts of Electric Power Development Co., Ltd. (the "Company") and its 109 subsidiaries controlled directly or indirectly by the Company.

In the current fiscal year, J-POWER Charger Partners, LLC, which was newly established, and 3 other companies have been newly included in the scope of consolidation.

JPBC DEVELOPMENT CO PTY. LTD. and 3 other companies have been excluded from the scope of consolidation due to completion of liquidation.

2. Application of equity method

Number of companies accounted for by the equity method: 70

In the current fiscal year, Shiramizugoe Geothermal Co., Ltd. has been included in the scope of affiliates accounted for by the equity method.

J-POWER Frontier Consolidation, L.P. and 10 other companies whose interests were all transferred, J-POWER East Coast Consolidation, LLC and 10 other companies that were liquidated, have been excluded from the scope of affiliates accounted for by the equity method.

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

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

3. Reporting dates of consolidated subsidiaries, etc.

All of the consolidated subsidiaries, except for J-POWER AUSTRALIA PTY. LTD. and 79 other overseas subsidiaries, share the same reporting date as that of the Company. The fiscal year end of each of J-POWER AUSTRALIA PTY. LTD. and 79 other overseas subsidiaries is December 31. The financial statements of these subsidiaries as of this date are used for consolidation after necessary adjustments with regard to significant transactions incurred during the period 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 other than those for which there are 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 using 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 principally stated at cost determined by the monthly average method.

(2) **Depreciation and amortization of non-current assets**

a. **Depreciation and amortization method**

(Tangible assets)

Straight-line method has mainly 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 Act 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, etc. generated by the Group's power generation facilities or procured from the wholesale electricity market 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, etc., 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
Swaps related to fuel and electricity prices, etc.	Certain transactions related to fuel procurement and electricity sales, etc.

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 fluctuations in fuel and electricity 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) Amortization Method and Amortization Period for Goodwill

Goodwill is amortized using the straight-line method over a reasonable amortization period not exceeding 20 years. Additionally, goodwill that is deemed immaterial is recognized as income or expense in the fiscal year in which it is incurred.

(8) 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

		Millions of yen
As of March 31	2025	**2026**
Construction in progress	¥693,372	**¥774,903**

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

Construction in progress in the amount of 774,903 million yen was recorded on the Company's consolidated balance sheet as of March 31, 2026 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.

(Valuation of fixed assets related to GENEX POWER PTY LTD)

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

The carrying amounts of overseas business facilities and construction in progress, as well as the amount of impairment losses, related to JP Generation Australia Pty. Ltd. ("JPGA"), a consolidated subsidiary of the Company, and GENEX POWER PTY LTD under its umbrella, are as follows.

		Millions of yen
As of March 31	2025	**2026**
Overseas business facilities	¥35,208	**¥27,968**
Construction in progress	¥82,017	**82,070**
Impairment losses	-	**¥23,235**

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

Overseas business facilities for the current fiscal year include goodwill of 5,689 million yen, which arose from the business combination with GENEX POWER LIMITED (currently GENEX POWER PTY LTD) executed on July 31, 2024.

The consolidated financial statements of JPGA are prepared in accordance with International Financial Reporting Standards. Based on IAS 36 "Impairment of Assets," the Group conducts impairment tests on cash-generating units, including goodwill, annually and whenever there is an indication that the unit may be impaired. If the recoverable amount falls below the carrying amount, the carrying amount is reduced to the recoverable amount, and the decrease is recognized as an impairment loss.

The Group measures the recoverable amount of cash-generating units, including goodwill, primarily based on value in use. The future cash flows used in measuring value in use are estimated based on future business plans. The key assumptions used in estimating these future cash flows include future electricity sales volumes, sales prices, construction costs, and discount rates.

It should be noted that these estimates of future cash flows may be affected if unforeseen changes occur in future market conditions or the progress of the business, which could have an impact on the valuation of fixed assets.

(Accounting standards issued but not yet effective)

a. **"Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024)**

b. **"Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024)**

In addition, revisions to related Accounting Standards, Implementation Guidance, Practical Solutions and Transferred Guidance.

(1) Overview

The revised accounting standard and related implementation guidance provide the treatment, similar to international accounting standards, for recognizing assets and liabilities for all lessee leases.

(2) Scheduled date of adoption

The Company expects to adopt the accounting standard and related implementation guidance from the beginning of the fiscal year ending March 31, 2028.

(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 standard and related implementation guidance on its consolidated financial statements.

(Changes in Presentation)

(Consolidated Statement of Balance Sheet)

In the previous fiscal year, "Short-term investments," which had been presented as a separate line item under "Current assets," is included in "Other" from the current fiscal year, as its materiality has become insignificant. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, in the consolidated balance sheet for the previous fiscal year, the amounts of 107,464 million yen previously presented under "Short-term investments" within "Current assets" and 72,849 million yen under "Other" have been reclassified as 180,314 million yen under "Other."

(Consolidated Statement of Income)

"Gain on sale of non-current assets," which had been presented as a separate line item under "Non-operating income" in the previous fiscal year, is included in "Other" from the current fiscal year, as it has fallen to 10% or less 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, in the consolidated statement of income for the previous fiscal year, the amounts of 7,518 million yen previously presented as "Gain on sale of non-current assets" under "Non-operating income" and 5,963 million yen under "Other" have been reclassified as 13,482 million yen under "Other."

(Consolidated Statement of Cash Flows)

"Impairment losses," which had been included in "Other, net" under "Cash flows from operating activities" in the previous fiscal year, is presented as a separate line item from the current fiscal year, as its materiality has increased. In addition, "Loss (gain) on sale of non-current assets," which had been presented as a separate line item under "Cash flows from operating activities" in the previous fiscal year, is included in "Other, net" from the current fiscal year, as its materiality has become insignificant. To reflect these changes in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, in the consolidated statement of cash flows for the previous fiscal year, the amount of (6,940) million yen previously presented as "Loss (gain) on sale of non-current assets" under "Cash flows from operating activities" and 3,808 million yen under "Other, net" have been reclassified as 18 million yen under "Impairment losses" and (3,150) million yen under "Other, net."

"Proceeds from sale of non-current assets" which had been presented as a separate line item under "Cash flows from investing activities" in the previous fiscal year, is included in "Other, net" from the current fiscal year, as its materiality has become insignificant. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, in the consolidated statement of cash flows for the previous fiscal year, the amounts of 8,059 million yen previously presented as "Proceeds from sale of non-current assets" under "Cash flows from investing activities" and 10,797 million yen under "Other, net" have been reclassified as 18,857 million yen under "Other, net."

"Purchase of treasury shares," which had been included in "Other, net" under "Cash flows from financing activities" in the previous fiscal year, is presented as a separate line item from the current fiscal year, as its materiality has increased. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, in the consolidated statement of cash flows for the previous fiscal year, the amount of (1,693) million yen previously presented under "Other, net" within "Cash flows from financing activities" has been reclassified as (0) million yen under "Purchase of treasury shares" and (1,693) million yen under "Other, net."

(Additional Information)

(Acquisition of Treasury Shares)

The Company resolved at a meeting of its Board of Directors held on May 9, 2025, to acquire treasury shares pursuant to Article 156 of the Companies Act, as applied by replacing its terms in accordance with Article 165, paragraph 3 of the same Act.

(1) Reason for the Acquisition of Treasury Shares

To improve capital efficiency and enhance shareholder returns.

(2) Details of the Acquisition

1. Class of shares to be acquired

   Common shares

2. Number of shares to be acquired

   Up to 9,000,000 shares

   (4.9% of the total number of issued shares excluding treasury shares)

3. Total acquisition cost

   Up to 20,000 million yen

4. Acquisition period

   From September 1, 2025 to March 31, 2026

5. Method of acquisition

   Market purchases, including off-auction own share repurchase transactions (ToSTNeT-3) on the Tokyo Stock Exchange

(3) Other

With respect to the cancellation of the acquired shares, please refer to "(Significant subsequent events) (Cancellation of Treasury Shares)." Based on the above resolution of the Board of Directors, the Company completed the acquisition of treasury shares as set forth below.

1. Class of shares acquired

   Common shares

2. Total number of shares acquired

   6,713,200 shares

3. Total acquisition cost

   19,999 million yen

4. Acquisition period

   From September 1, 2025 to March 24, 2026 (trade date basis)

5. Method of acquisition

   Market purchases, including off-auction own share repurchase transactions (ToSTNeT-3) on the Tokyo Stock Exchange

(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."). 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 Plan is a stock compensation scheme under which a trust established by the Company through monetary contributions (hereinafter referred to as "the Trust") acquires the shares of the Company. The Trust delivers shares to Directors, etc. in accordance with the number of points granted to each individual. One point shall correspond to one share of the Company's stock, and, in principle, the shares are delivered to Directors, etc. upon their resignation.

(2) Company shares remaining in the Trust

The Company's shares remaining in the Trust are recorded as treasury shares under net assets at the carrying amount of the Trust (excluding incidental costs). The carrying amount and the number of such treasury shares were 338 million yen and 170,000 shares as of the end of the previous fiscal year, and 763 million yen and 325,000 shares as of the end of the current fiscal year.

Additionally, the Board of Directors, at its meeting held on June 26, 2025, resolved to continue the Plan and make an additional monetary contribution. As a result, the carrying amount and the number of shares have increased compared to the end of the previous fiscal year due to the acquisition of additional shares during the current fiscal year.

Consolidated Balance Sheet

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

Millions of yen

As of March 31	2025	**2026**
	¥114,096	**¥112,474**

2) Accumulated depreciation of tangible assets

Millions of yen

As of March 31	2025	**2026**
	¥3,472,895	**¥3,532,093**

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

Millions of yen

As of March 31	2025	**2026**
Stocks	¥328,861	**¥315,782**

4) Inventories

As of March 31	2025	2026
	Millions of yen	
Merchandise and finished goods	¥2,056	**¥994**
Work in process	985	**744**
Raw materials and supplies	¥69,149	**¥75,599**

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

As of March 31	2025	2026
	Millions of yen	
Notes receivable-trade	¥57	**¥0**
Accounts receivable-trade	105,229	**107,171**
Contract assets	¥6,909	**¥2,804**

6) Contract liabilities in other

As of March 31	2025	2026
	Millions of yen	
Contract liabilities	¥153	**¥131**

7) Provisions

As of March 31	2025	2026
	Provisions for directors' bonuses stated by subsidiaries are included in other provisions	**Provisions for disaster recovery costs and similar items recognized by subsidiaries are included in other provisions**

8) Pledged assets and secured liabilities

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

As of March 31	2025	2026
	Millions of yen	
Long-term investments	¥121,562	**¥120,288**

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

As of March 31	2025	2026
	Millions of yen	
Long-term investments	¥989	**¥1,057**

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

As of March 31	2025	2026
	Millions of yen	
Overseas business facilities	¥497,915	**¥489,500**
Construction in progress	83,267	**131,925**
Cash and deposits	70,135	**67,413**
Notes and accounts receivable-trade, and contract assets	5,097	**5,637**
Inventories	1,073	**1,591**
Other (Current assets)	728	**1,281**
Other (Investments and other assets)	¥1,707	**¥0**

Liabilities related to pledged assets mentioned above

As of March 31	2025	2026
	Millions of yen	
Long-term borrowings (including current portion)	¥388,339	**¥400,224**

9) Contingent liabilities

(1) Guarantees given to certain financial institutions for loans of companies and others

As of March 31	2025	2026
	Millions of yen	
Oga Katagami Akita Offshore Green Energy LLC.	¥19,013	**¥33,086**
Yuzawa Geothermal Power Generation Corporation	1,688	**1,500**
Appi Geothermal Energy Corporation	495	**456**
SAHARA COOLING Ltd.	278	**294**
Guarantees given in connection with housing loans for employees	198	**137**
Total	¥21,673	**¥35,474**

(2) Guarantees for the performance of transactions and other obligations

As of March 31	2025	2026
	Millions of yen	
Oga Katagami Akita Offshore Green Energy LLC.	¥35,564	**¥49,556**
GENEX POWER PTY LTD *2	10,994	**23,997**
J-Wind Co., Ltd.	16,742	**13,227**
J-Wind KAMINOKUNI., Ltd.	-	**8,922**
J-Power Investment Netherlands B.V. *1	483	**533**
Consulting services related to the Turga Pumped Storage Hydropower Project in India	238	**237**
Cleanergy 9 Power Inc. *1	-	**118**
Biocoal Kumamoto-South Co., Ltd.	43	**22**
AP Solar 4, LLC	4,620	**-**
Total	¥68,687	**¥96,615**

*1 The amount above shows the maximum amount of the guarantee.

*2 In October 2025, the company name was changed from GENEX POWER LIMITED to GENEX POWER PTY LTD.

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

2) A breakdown of electric utility operating expenses

Millions of yen

Year ended March 31	2025		2026	
Category	Electric utility operating expenses	Selling, general and administrative expenses*	Electric utility operating expenses	Selling, general and administrative expenses*
Personnel expenses	¥25,735	¥14,121	**¥29,186**	**¥16,669**
Fuel cost	361,628	-	**302,783**	**-**
Repair expenses	54,027	1,597	**56,957**	**1,810**
Consignment cost	56,542	17,765	**60,668**	**20,861**
Taxes and duties	27,641	951	**27,115**	**1,344**
Depreciation and amortization cost	79,186	2,759	**73,921**	**2,517**
Research expenses	4,384	4,384	**6,624**	**6,624**
Other	297,705	12,208	**269,063**	**12,995**
Total	¥906,850	¥53,788	**¥826,320**	**¥62,824**

(Changes in Presentation)
“Research expenses,” which had been included in “Other” in the previous fiscal year, are presented as a separate line item from the current fiscal year, as their materiality has increased. To reflect this change in presentation, the breakdown for the previous fiscal year has been reclassified.
As a result, in the breakdown for the previous fiscal year, the amount of 302,089 million yen previously presented under “Other” within “Electric utility operating expenses” has been reclassified as 4,384 million yen under “Research expenses” and 297,705 million yen under “Other.” In addition, the amount of 16,592 million yen previously presented under “Other” within “Selling, general and administrative expenses” has been reclassified as 4,384 million yen under “Research expenses” and 12,208 million yen under “Other,” respectively.

3) Research and development costs included in operating expenses

Millions of yen

Year ended March 31	2025	2026
	¥7,040	**¥9,455**

4) Impairment losses

For the year ended March 31, 2025
This information is omitted due to the lack of materiality,

For the year ended March 31, 2026
The Group groups its assets primarily based on management accounting classifications for which income and expenditures are continuously monitored (for fixed assets used in the electricity business, by business or by location; and for overseas business facilities and other fixed assets, by management division or by location).
In the current fiscal year, the Group recorded impairment losses of 32,988 million yen as extraordinary losses. The main impairment losses are as follows.

Millions of yen

Use and location	Type	Amounts
Renewable energy power generation facilities, etc. (JP Generation Australia Pty Ltd; Genex Power Pty Ltd, located in New South Wales and Queensland, Australia)	Overseas business facilities Construction in progress	¥23,235
Takasago Thermal Power Station (Takasago City, Hyogo Prefecture)	Thermal power production facilities	¥4,849

With respect to renewable energy power generation facilities located in Australia, the Group conducts valuations primarily based on value in use as the recoverable amount of cash-generating units, including goodwill, in accordance with International Financial Reporting Standards. In the current fiscal year, the Group performed impairment tests on cash-generating units including goodwill and, as a result, recognized impairment losses as the recoverable amount was determined to be less than the carrying amount. The breakdown of these losses includes a reduction of 15,723 million yen in construction in progress and 7,512 million yen in overseas business facilities. The discount rates used ranged from 7.8% to 11.4%.
In addition, with respect to the Takasago Thermal Power Station, the Group decided during the current fiscal year to decommission the facility at the end of fiscal 2028. Taking into account the expected operating rate based on this decommissioning schedule, the Group determined that recovery of the investment would be difficult. Accordingly, the carrying amount was reduced to the recoverable amount, and the decrease was recognized as an impairment losses. The recoverable amount was measured based on value in use; however, as recoverability was not deemed to be achievable, the asset was valued at a memorandum value.

5) Loss on retirement of non-current assets

For the year ended March 31, 2025
Not applicable.

For the year ended March 31, 2026
In the Ohma Nuclear Power Plant Project, losses on retirement of non-current assets were recorded as extraordinary losses due to the retirement of certain instrumentation and control equipment, etc., from service, in order to ensure their quality and reliability.

Consolidated Statement of Comprehensive Income

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

Millions of yen

Year ended March 31	2025	**2026**
Valuation difference on available-for-sale securities		
Amount accrued for the current year	¥7,204	**¥29,363**
Reclassification adjustment	(1,083)	**(3,819)**
Amount before income taxes and tax effect adjustments	6,121	**25,543**
Income taxes and tax effects	(1,860)	**(7,393)**
Valuation difference on available-for-sale securities	4,260	**18,150**
Deferred gains or losses on hedges		
Amount accrued for the current year	(4,603)	**(7,601)**
Reclassification adjustment	(1,271)	**1,035**
Adjusted acquisition cost of assets	-	**4,692**
Amount before income taxes and tax effect adjustments	(5,875)	**(1,872)**
Income taxes and tax effects	1,308	**(427)**
Deferred gains or losses on hedges	(4,566)	**(2,300)**
Foreign currency translation adjustment		

Amount accrued for the current year	44,344	**26,026**
Remeasurements of defined benefit plans, net of tax		
Amount accrued for the current year	8,782	**21,955**
Reclassification adjustment	(13,882)	**(10,033)**
Amount before income taxes and tax effect adjustments	(5,099)	**11,922**
Income taxes and tax effects	1,251	**(3,504)**
Remeasurements of defined benefit plans, net of tax	(3,848)	**8,417**
Share of other comprehensive income of entities accounted for using equity method		
Amount accrued for the current year	20,986	**9,050**
Reclassification adjustment	(5,159)	**(6,913)**
Adjusted acquisition cost of assets	(1,514)	**(1,038)**
Share of other comprehensive income of entities accounted for using equity method	14,312	**1,098**
Total other comprehensive income	¥54,502	**¥51,393**

Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2025

1. Shares issued

Shares

Type	As of April 1, 2024	Increase	Decrease	As of March 31, 2025
Common stock	183,051,100	-	-	183,051,100

2. Treasury shares

Shares

Type	As of April 1, 2024	Increase	Decrease	As of March 31, 2025
Treasury shares	181,205	239	6,900	174,544

(Note)

The number of treasury shares at the beginning and end of the current fiscal year includes the Company's stock held by the Trust accounts related to the stock-based compensation trust for officers, amounting to 177,700 shares and 170,800 shares, respectively.

A breakdown of the increase and decrease are as follows:

Increase due to purchasing shares that are less than one voting unit: 239 shares

Decrease due to acquisition of shares of the Company's stock by the Trust accounts related to the stock-based compensation system for officers: 6,900 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 26, 2024)	Common stock	¥10,067	¥55	March 31, 2024	June 27, 2024
Board of Directors (October 31, 2024)	Common stock	¥9,152	¥50	September 30, 2024	November 29, 2024

(Note)

The total amount of dividends resolved by the Ordinary general shareholders' meeting 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. In addition, the total amount of dividends resolved by the Board of Directors on October 31, 2024 includes 8 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, 2025 and the effective date in the year ended March 31, 2026

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, 2025)	Common stock	Retained earnings	¥9,152	¥50	March 31, 2025	June 27, 2025

(Note)
The total amount of dividends resolved by the Ordinary general shareholders' meeting on June 26, 2025 includes dividends of 8 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, 2026

1. Shares issued

Shares

Type	As of April 1, 2025	Increase	Decrease	As of March 31, 2026
Common stock	**183,051,100**	**-**	**-**	**183,051,100**

2. Treasury shares

Shares

Type	As of April 1, 2025	Increase	Decrease	As of March 31, 2026
Treasury shares	**174,544**	**6,885,361**	**17,100**	**7,042,805**

(Note)
The number of treasury shares at the beginning and end of the current fiscal year includes the Company's stock held by the Trust accounts related to the stock-based compensation trust for officers, amounting to 170,800 shares and 325,500 shares, respectively.
A breakdown of the increase and decrease are as follows:
Increase due to acquisition of treasury shares based on a resolution of the Board of Directors: 6,713,200 shares
Increase due to acquisition of the Company's shares by the trust accounts related to the stock grant trust for directors: 171,800 shares
Increase due to purchasing shares that are less than one voting unit: 361 shares
Decrease due to acquisition of shares of the Company's stock by the Trust accounts related to the stock-based compensation system for officers: 17,100 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 26, 2025)	Common stock	**¥9,152**	**¥50**	**March 31, 2025**	**June 27, 2025**

Board of Directors (October 31, 2025)	Common stock	**¥8,974**	**¥50**	**September 30, 2025**	**November 28, 2025**

(Note)
The total amount of dividends resolved by the Ordinary general shareholders' meeting on June 26, 2025 includes dividends of 8 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, 2025 includes 16 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, 2026 and the effective date in the year ending March 31, 2027

Resolution	Type of shares	Dividends paid from	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general shareholders' meeting (June 25, 2026)	Common stock	Retained earnings	**¥8,816**	**¥50**	**March 31, 2026**	**June 26, 2026**

(Note)
The total amount of dividends resolved by the Ordinary general shareholders' meeting on June 25, 2026 includes dividends of 16 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	2025	**2026**
Cash and deposits account	¥308,995	**¥396,964**
Time deposits with a maturity of more than three months	(40,936)	**(48,099)**
Short-term investments (securities) with a maturity of less than three months from the date of acquisition	105,027	**-**
Cash and cash equivalents	¥373,085	**¥348,865**

2) Major breakdown of assets and liabilities of companies that have newly become consolidated subsidiaries through stock acquisition

For the year ended March 31, 2025

The breakdown of assets and liabilities at the time of initial consolidation, as well as the relationship between the acquisition cost of GENEX POWER LIMITED (currently GENEX POWER PTY LTD) and 30 other companies (hereinafter referred to as "GENEX") and the net cash outflow for the acquisition of GENEX shares, are as follows.

	Millions of yen
Non-current assets	¥111,814
Current assets	11,257
Goodwill	12,388
Non-current liabilities	(87,629)
Current liabilities	(7,071)
Acquisition cost of shares	40,758

Fair value of shares held immediately before the business combination as of the business combination date	(3,148)
Acquisition cost of shares	37,610
Cash and cash equivalents	(8,976)
Less: Expenditures for acquisition	¥28,634

For the year ended March 31, 2026
Not applicable.

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 CD (certificate of deposit) and others, which are exposed to the credit risk of banks.

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 23 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 fuel and electricity prices, etc. 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 hedge 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 10 former 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 fuel and electricity prices, etc.

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, 2026, 59% of the operating receivables are from 10 former EPCOs and EGAT.

2. Fair value of financial instruments

The carrying amounts recorded on the consolidated balance sheet, fair value and differences between them are as follows:

As of March 31, 2025 — Millions of yen

	Carrying amount	Fair value	Difference
(1) Investment securities			
Available-for-sale securities *2*3	¥49,292	¥49,292	-
Total assets	49,292	49,292	-
(2) Bonds payable *4	746,887	696,119	¥50,767
(3) Long-term borrowings *4	1,120,973	1,087,174	33,799
Total liabilities	1,867,860	1,783,293	¥84,567
(4) Derivatives transactions *5			
Transactions not subject to hedge accounting	1,408	1,408	-
Transactions subject to hedge accounting	2,766	2,766	-
Total derivatives transactions	¥4,174	¥4,174	-

*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 amounts due to their short maturities.

*2 Amounts on the consolidated balance sheet for securities without quoted market prices

As of March 31, 2025 Category	Millions of yen
Unlisted shares (excluding share sold on the OTC market)	¥7,971
Unlisted foreign shares	707
Capital contribution	873
Foreign capital contribution	¥15,354

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, 2026 — Millions of yen

	Carrying amount	Fair value	Difference
(1) Investment securities			
Available-for-sale securities *2*3	**¥72,381**	**¥72,381**	**-**
Total assets	**72,381**	**72,381**	**-**
(2) Bonds payable *4	**733,987**	**658,738**	**¥75,249**
(3) Long-term borrowings *4	**1,138,191**	**1,084,546**	**53,645**
Total liabilities	**1,872,179**	**1,743,284**	**¥128,894**
(4) Derivatives transactions *5			
Transactions not subject to hedge accounting	**1,158**	**1,158**	**-**
Transactions subject to hedge accounting	**(231)**	**(231)**	**-**
Total derivatives transactions	**¥927**	**¥927**	**-**

*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 amounts due to their short maturities.

*2 Amounts on the consolidated balance sheet for securities without quoted market prices

As of March 31, 2026 Category	Millions of yen
Unlisted shares (excluding shares sold on the OTC market)	**¥9,104**
Unlisted foreign shares	**1,158**
Capital contribution	**923**
Foreign capital contribution	**17,294**
Investments in partnerships	**¥95**

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, 2025

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	¥308,995	¥112,210	¥107,464	¥528,780
Due after one year through five years	¥70	-	-	-	¥70
Due after five years through 10 years	-	-	-	-	-
Due after 10 years	-	-	-	-	-

As of March 31, 2026

Millions of yen

	Investment securities Available-for-sale securities with maturities	Cash and deposits	Notes and accounts receivable-Trade, and contract assets	Total
Due in one year or less	**¥209**	**¥396,905**	**¥110,003**	**¥507,119**
Due after one year through five years	**¥130**	**-**	**-**	**¥130**
Due after five years through 10 years	**-**	**-**	**-**	**-**
Due after 10 years	**-**	**-**	**-**	**-**

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

As of March 31, 2025 Millions of yen

	Bonds payable	Long-term borrowings	Short-term borrowings	Total
Due in one year or less	¥93,900	¥122,839	¥8,133	¥224,872
Due after one year through two years	55,000	132,152	-	187,152
Due after two years through three years	100,000	214,344	-	314,344
Due after three years through four years	75,000	70,558	-	145,558
Due after four years through five years	48,000	123,340	-	171,340
Due after five years	¥374,990	¥457,738	-	¥832,728

As of March 31, 2026 Millions of yen

	Bonds payable	Long-term borrowings	Short-term borrowings	Total
Due in one year or less	**¥55,000**	**¥148,491**	**¥8,270**	**¥211,761**
Due after one year through two years	**100,000**	**214,220**	**-**	**314,220**
Due after two years through three years	**75,000**	**90,087**	**-**	**165,087**
Due after three years through four years	**48,000**	**112,078**	**-**	**160,078**
Due after four years through five years	**50,000**	**108,697**	**-**	**158,697**
Due after five years	**¥405,990**	**¥464,615**	**-**	**¥870,605**

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, 2025 — Millions of yen

Category	Fair value Level 1	Level 2	Level 3	Total
a. Investment securities				
Available-for-sale securities				
Stock	¥49,112	-	-	¥49,112
Bonds	-	¥180	-	180
Total assets	¥49,112	180	-	49,292
b. Derivatives transactions				
Transactions not subject to hedge accounting	-	0	¥1,408	1,408
Transactions subject to hedge accounting	-	2,766	-	2,766
Total derivatives transactions	-	¥2,766	¥1,408	¥4,174

As of March 31, 2026 — Millions of yen

Category	Fair value Level 1	Level 2	Level 3	Total
a. Investment securities				
Available-for-sale securities				
Stock	**¥72,042**	**-**	**-**	**¥72,042**
Bonds	**-**	**¥339**	**-**	**339**
Total assets	**¥72,042**	**339**	**-**	**72,381**
b. Derivatives transactions				
Transactions not subject to hedge accounting	**-**	**-**	**¥1,158**	**1,158**
Transactions subject to hedge accounting	**-**	**(231)**	**-**	**(231)**
Total derivatives transactions	**-**	**¥(231)**	**¥1,158**	**¥927**

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

As of March 31, 2025 — Millions of yen

Category	Fair value Level 1	Level 2	Level 3	Total
c. Bonds payable	-	¥696,119	-	¥696,119
d. Long-term borrowings	-	1,087,174	-	1,087,174
Total liabilities	-	¥1,783,293	-	¥1,783,293

As of March 31, 2026				Millions of yen
	Fair value			
Category	Level 1	Level 2	Level 3	Total
c. Bonds payable	**-**	**¥658,738**	**-**	**¥658,738**
d. Long-term borrowings	**-**	**1,084,546**	**-**	**1,084,546**
Total liabilities	**-**	**¥1,743,284**	**-**	**¥1,743,284**

(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. Derivatives 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, commodity options and commodity swaps fall under this category. The fair values of transactions subject to special accounting treatment of interest rate swaps are 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, 2025

Category	Valuation technique	Significant unobservable inputs	Range of Inputs
Derivatives transactions			
Commodity options	Discounted cash flow (DCF) method	Volatility	26.9(%)
Commodity swaps	Discounted cash flow (DCF) method	Forecasted power generation	1,548,177MWh

As of March 31, 2026

Category	Valuation technique	Significant unobservable inputs	Range of Inputs
Derivatives transactions			
Commodity options	Discounted cash flow (DCF) method	Volatility	**25.3(%)**
Commodity swaps	Discounted cash flow (DCF) method	Forecasted power generation	**1,161,533MWh**

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

As of March 31, 2025 — Millions of yen

Category	Derivatives transactions: Commodity options	Derivatives transactions: Commodity swaps
Balance at the beginning of the year	¥490	-
Profit or loss or other comprehensive income for the period		
Recognized in profit or loss (*1)	(196)	¥209
Recognized in other comprehensive income (*2)	56	-
Purchase, sale, issuance, and settlement	-	-
Transfer to Level 3 of fair value hierarchy	-	-
Transfer from Level 3 of fair value hierarchy	-	-
Others	-	848
Balance at the end of the year	350	1,058
Unrealized gains (losses) on financial assets and liabilities held at the end of the period recognized in profit or loss for the period(*1)	¥(196)	¥209

*1 Consists of “Others” in “Non-operating expenses” or “Others” in “Non-operating income” on the consolidated statement of income

*2 Consists of “Foreign currency translation adjustment” in “Other comprehensive income” on the consolidated statement of comprehensive income

As of March 31, 2026 — Millions of yen

Category	Derivatives transactions: Commodity options	Derivatives transactions: Commodity swaps
Balance at the beginning of the year	**¥350**	**¥1,058**
Profit or loss or other comprehensive income for the period		
Recognized in profit or loss (*1)	**(346)**	**32**
Recognized in other comprehensive income (*2)	**(3)**	**67**
Purchase, sale, issuance, and settlement	**-**	**-**
Transfer to Level 3 of fair value hierarchy	**-**	**-**
Transfer from Level 3 of fair value hierarchy	**-**	**-**
Others	**-**	**-**
Balance at the end of the year	**0**	**1,158**
Unrealized gains (losses) on financial assets and liabilities held at the end of the period recognized in profit or loss for the period*	**¥(346)**	**¥32**

*1 Consists of “Others” in “Non-operating expenses” on the consolidated statement of income

*2 Consists of “Foreign currency translation adjustment” in “Other comprehensive income” on the consolidated statement of comprehensive 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 key unobservable input used in the fair value measurement of commodity options is primarily volatility, and a significant increase (decrease) in volatility would result in a significant increase (decrease) in fair value. The key unobservable input used in the fair value measurement of commodity swaps is primarily forecasted power generation, and a significant increase (decrease) in forecasted power generation would result in a significant increase (decrease) in fair value.

Securities

1. Available-for-sale securities

As of March 31, 2025 — 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	¥49,112	¥12,902	¥36,209
Subtotal		49,112	12,902	36,209
Securities for which the amount recorded on the consolidated balance sheet does not exceed the acquisition cost	Bonds	180	180	-
Subtotal		180	180	-
Total		¥49,292	¥13,082	¥36,209

As of March 31, 2026 — 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	**¥72,042**	**¥12,165**	**¥59,876**
	Bonds	**159**	**150**	**9**
Subtotal		**72,201**	**12,315**	**59,886**
Securities for which the amount recorded on the consolidated balance sheet does not exceed the acquisition cost	Bonds	**180**	**180**	**-**
Subtotal		**180**	**180**	**-**
Total		**¥72,381**	**¥12,495**	**¥59,886**

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

Year ended March 31, 2025 — Millions of yen

	Proceeds from sales	Gain on sales	Loss on sales
Stock	¥1,010	¥735	-

Year ended March 31, 2026 — Millions of yen

	Proceeds from sales	Gain on sales	Loss on sales
Stock	**¥4,723**	**¥3,936**	**-**

Derivatives Transactions

1. Derivatives transactions not subject to hedge accounting

(1) Currencies

As of March 31, 2025 — Millions of yen

Category	Instrument	Contract value, etc. Total value	Contract value, etc. Portion over one year	Fair value	Valuation gain/loss
Transactions other than market transactions	Foreign exchange forward contracts	¥3	-	¥0	¥0

As of March 31, 2026

Not applicable.

(2) Commodities

As of March 31, 2025 — Millions of yen

Category	Instrument	Contract value, etc. Total value	Contract value, etc. Portion over one year	Fair value	Valuation gain/loss
Transactions other than market transactions	Options, short positions	¥9,902	¥9,902	¥350	¥(9,552)
	Commodity swaps pay/fixed receive/floating	¥7,664	¥7,040	¥1,058	¥1,058

As of March 31, 2026 — Millions of yen

Category	Instrument	Contract value, etc. Total value	Contract value, etc. Portion over one year	Fair value	Valuation gain/loss
Transactions other than market transactions	Options, short positions	**¥9,800**	**¥9,800**	**¥0**	**¥(9,800)**
	Commodity swaps pay/fixed receive/floating	**¥9,932**	**¥9,024**	**¥1,158**	**¥32**

2. Derivatives transactions subject to hedge accounting

As of March 31, 2025

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	¥9,267	¥7,115	¥(723)
	Interest rate swaps pay/fixed receive/floating	Loans	292,832	259,074	6,189
	Commodity swaps pay/fixed receive/floating	Commodity	32,188	-	(2,698)
Special interest rate swaps	Interest rate swaps pay/fixed receive/floating	Loans	30,813	19,456	*
Total			¥365,101	¥285,647	¥2,766

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

As of March 31, 2026

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	**¥10,676**	**¥8,637**	**¥501**
	Interest rate swaps pay/fixed receive/floating	Loans	**315,319**	**207,261**	**(1,862)**
	Commodity swaps pay/fixed receive/floating	Commodity	**34,190**	**-**	**2,787**
	Commodity swaps receive/fixed pay/floating	Commodity	**22,495**	**-**	**(1,657)**

Special interest rate swaps	Interest rate swaps pay/fixed receive/floating	Loans	**19,456**	**19,301**	*
Total			**¥402,139**	**¥235,200**	**¥(231)**

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

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

	Millions of yen	
Year ended March 31	2025	**2026**
Balance at the beginning of the year	¥131,281	**¥120,071**
Service cost	5,237	**4,589**
Interest cost	1,786	**2,483**
Incurred actuarial gain or loss	(11,741)	**(11,713)**
Retirement benefit payments	(6,525)	**(5,350)**
Other	33	**35**
Balance at the end of the year	¥120,071	**¥110,115**

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

	Millions of yen	
Year ended March 31	2025	**2026**
Balance at the beginning of the year	¥117,730	**¥116,777**
Expected return on plan assets	3,340	**3,297**
Incurred actuarial gain or loss	(2,958)	**10,244**
Funding by the Company and its subsidiaries	2,280	**2,280**
Retirement benefit payments	(3,614)	**(4,222)**
Balance at the end of the year	¥116,777	**¥128,377**

(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 2025	**2026**
Retirement benefit obligations of funded type plans	¥112,179	**¥102,576**
Plan assets	(116,777)	**(128,377)**
	(4,597)	**(25,801)**
Retirement benefit obligations of unfunded type plans	7,892	**7,538**
Net amount of liabilities and assets on the consolidated balance sheet	3,294	**(18,262)**
Retirement benefit liability	29,065	**25,648**
Retirement benefit asset	(25,771)	**(43,910)**
Net amount of liabilities and assets on the consolidated balance sheet	¥3,294	**¥(18,262)**

(4) Retirement benefit expenses

Year ended March 31	Millions of yen 2025	**2026**
Service cost	¥4,634	**¥3,862**
Interest cost	1,768	**2,464**
Expected return on plan assets	(3,327)	**(3,307)**
Amortization of actuarial gain or loss	(13,848)	**(10,002)**
Amortization of past service cost	(5)	**(5)**
Other	46	**97**
Retirement benefit expenses regarding defined benefit plans	¥(10,730)	**¥(6,890)**

(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 2025	**2026**
Past service cost	¥(5)	**¥(5)**
Actuarial gain or loss	(5,094)	**11,927**
Total	¥(5,099)	**¥11,922**

(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 2025	**2026**
Unrecognized past service cost	¥(30)	**¥(25)**
Unrecognized actuarial gain or loss	(17,376)	**(29,303)**
Total	¥(17,406)	**¥(29,328)**

(7) Plan assets

a. A breakdown of plan assets

Proportion of each type of asset is as follows:

As of March 31	2025	**2026**
Bonds	23%	**24%**

Stocks	31%	**33%**
General accounts	32%	**32%**
Other	14%	**11%**
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	2025	**2026**
Discount rate	2.0%	**3.0%**
Long-term expected rate of return on plan assets	2.8%	**2.9%**
Expected rate of increase in salary	6.6%	**3.7%**

Income Taxes

1. The significant components of deferred tax assets and liabilities

		Millions of yen
As of March 31	2025	**2026**
Deferred tax assets		
Unrealized gain on non-current assets	¥16,799	**¥17,084**
Excess of depreciation of non-current assets	7,483	**13,593**
Retirement benefit liability	2,885	**8,205**
Net operating loss carryforwards for tax purposes (Note)	6,420	**7,503**
Loss on retirement of non-current assets	1,329	**6,716**
Amount assigned for bonuses, etc. but not yet paid	3,142	**2,794**
Excess of amortization of deferred assets for tax purposes	1,441	**1,649**
Other	44,451	**47,703**
Subtotal of deferred tax assets	83,953	**105,250**
Valuation allowance for net operating loss carryforwards for tax purposes (Note)	(5,048)	**(7,299)**
Valuation allowance for deductible temporary difference and others	(11,274)	**(14,924)**
Subtotal of valuation allowance	(16,322)	**(22,223)**
Total deferred tax assets	67,630	**83,027**
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(10,978)	**(18,372)**
Retained earnings of foreign subsidiaries	(11,499)	**(11,889)**
Retirement benefit asset	-	**(10,253)**
Other	(40,788)	**(35,621)**
Total deferred tax liabilities	(63,267)	**(76,136)**
Net deferred tax assets	¥4,363	**¥6,890**

(Note)

(Change in presentation)

In the previous fiscal year, "Loss on valuation of securities" and "Loss on retirement of non-current assets," which were included in "Other" under deferred tax assets, have been presented as separate line items from the current fiscal year due to their increased materiality. In order to reflect this change in presentation, the breakdown by major cause for the previous fiscal year has been reclassified.

As a result, 45,780 million yen previously presented in "Other" under deferred tax assets in the previous fiscal year has been reclassified into "Loss on retirement of non-current assets" of 1,329 million yen, and "Other" of 44,451 million yen.

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, 2025 — Millions of yen

	Net operating loss carryforwards for tax purposes (a)	Valuation allowance	Deferred tax assets
One year or less	¥86	¥(86)	-
Over one year to two years	114	(113)	¥0
Over two years to three years	236	(236)	-
Over three years to four years	97	(97)	-
Over four years to five years	76	(75)	0
Over five years	5,782	(4,412)	1,370
Total	¥6,393	¥(5,021)	¥1,371

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

As of March 31, 2026 — Millions of yen

	Net operating loss carryforwards for tax purposes (b)	Valuation allowance	Deferred tax assets
One year or less	**¥122**	**¥(122)**	**-**
Over one year to two years	**124**	**(124)**	**-**
Over two years to three years	**105**	**(105)**	**-**
Over three years to four years	**208**	**(208)**	**¥0**
Over four years to five years	**452**	**(450)**	**2**
Over five years	**6,489**	**(6,288)**	**200**
Total	**¥7,503**	**¥(7,299)**	**¥203**

(b) The amounts of net operating loss carryforwards for tax purposes represent the amounts multiplied by the statutory tax rate.

2. Breakdown of the major factors causing the difference between the statutory effective tax rate and the effective income tax rate after the application of tax effect accounting

		Millions of yen
As of March 31	2025	**2026**
Statutory effective tax rate	-	**28.00%**
Adjustments		
Items permanently non-deductible for tax purposes	-	**7.64%**
Valuation allowance	-	**5.17%**
Items permanently non-taxable for tax purposes	-	**(5.52)%**
Difference in statutory effective tax rates between the Company and its consolidated subsidiaries	-	**(2.89)%**
Tax credits	-	**(1.76)%**
Other	-	**0.17%**
Effective income tax rate after the application of tax effect accounting	-	**30.81%**

(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 for the fiscal year ended March 31, 2025.

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.

Matters Related to Business Combinations, etc.

Finalization of provisional accounting treatment for a business combination
With respect to the business combination with GENEX POWER LIMITED (currently GENEX POWER PTY LTD) conducted on July 31, 2024, provisional accounting treatment had been applied in the previous fiscal year, and this has been finalized in the current fiscal year. There is no change in the amount of goodwill provisionally recognized in the previous fiscal year.

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, mine closure and 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 using discount rates between (0.1) % and 4.7%.

(3) Increase/decrease of the asset retirement obligations

		Millions of yen
Year ended March 31	2025	**2026**
Balance at the beginning of the year	¥34,993	**¥39,752**
Liabilities incurred due to the acquisition of property, plant and equipment	756	**2,957**

Accretion expense	441	**693**
Liabilities settled	(2,439)	**(360)**
Increase due to estimate change	4,267	**(164)**
Other	1,733	**312**
Balance at the end of the year	¥39,752	**¥43,190**

(4) Changes in the estimated amount of the asset retirement obligations

In the previous fiscal year, changes have been made to the estimates of asset retirement obligations, primarily related to restoration obligations recorded for coal mine closures, based on newly obtained information.

Revenue Recognition

(1) Disaggregated revenue from contracts with customers

The disaggregated revenue from contracts with customers is as stated in the “Notes (Segment Information, etc.).”

(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	2025	**2026**
Less than 1 year	¥40,156	**¥71,350**
More than 1 year but less than 3 years	179,403	**264,799**
More than 3 years	158,079	**186,664**
Total	¥377,639	**¥522,815**

Segment Information, etc.

(Segment Information)

1. Overview of reportable segments

The Company's reportable segments are components of the Company for which discrete financial information is available, and which are regularly reviewed by the Board of Directors in order to determine the allocation of management resources and evaluate performance.

The Company has five reportable segments: "Power Generation Business," "Transmission and Transformation Business," "Electric Power-Related Business," "Overseas Business," and "Other Business."

The principal business activities of each reportable segment are as follows:

(Power Generation Business)

Engages in the power generation business, utilizing power plants owned by the Group 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 electricity markets.

(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, Incorporated.

(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 the Group's management resources and expertise.

2. Method of calculating sales, income (loss), assets and other items for each reportable segment

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, 2025

Millions of yen

	Power Generation Business	Transmission and Transformation Business	Electric Power Related Business	Overseas Business	Other Business	Subtotal	Adjust-ments *1	Consolidated *2
Sales								
Sales to external customers	945,700	49,851	59,206	244,673	17,241	1,316,674	-	1,316,674
Revenue from contracts with customers	944,645	49,643	58,890	244,231	17,171	1,314,582	-	1,314,582
Electricity sales	935,273	-	-	240,776	-	1,176,049	-	1,176,049
Electricity transmission	-	49,494	-	-	-	49,494	-	49,494
Others	9,372	148	58,890	3,454	17,171	89,037	-	89,037
Other revenue	1,055	208	315	442	70	2,091	-	2,091
Intersegment sales and transfer	21,674	606	43,470	-	911	66,662	(66,662)	-
Total sales	967,375	50,458	102,676	244,673	18,153	1,383,337	(66,662)	1,316,674
Segment income	68,547	2,835	34,088	34,503	623	140,598	(502)	140,095
Segment assets	2,274,509	275,954	233,533	1,131,468	16,015	3,931,480	(262,740)	3,668,740
Other items								
Depreciation and amortization	71,328	10,758	7,735	27,037	348	117,208	(803)	116,405
Amortization of goodwill	-	-	-	285	-	285	-	285
Interest income	2,311	1	4,729	4,399	45	11,488	(2,063)	9,424
Interest expenses	12,655	2,011	196	20,127	74	35,066	(2,063)	33,002
Equity income (loss) of affiliates	2,441	-	-	12,023	-	14,464	-	14,464
Investment in affiliates	34,705	-	-	292,915	-	327,620	-	327,620
Increase in tangible and intangible non-current assets	77,995	28,837	4,545	22,243	544	134,165	(1,690)	132,475

(Notes)

1. The adjustment amounts for segment income, segment assets, depreciation and amortization, 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 within the consolidated financial statements.

For the year ended March 31, 2026

Millions of yen

	Power Generation Business	Transmission and Transformation Business	Electric Power Related Business	Overseas Business	Other Business	Subtotal	Adjust-ments *1	Consolidated *2
Sales								
Sales to external customers	**840,445**	**49,270**	**49,638**	**227,896**	**15,009**	**1,182,260**	**-**	**1,182,260**
Revenue from contracts with customers	**838,581**	**48,847**	**49,406**	**227,858**	**14,939**	**1,179,634**	**-**	**1,179,634**
Electricity sales	**832,376**	**-**	**-**	**223,138**	**-**	**1,055,515**	**-**	**1,055,515**
Electricity transmission	**-**	**48,847**	**-**	**-**	**-**	**48,847**	**-**	**48,847**
Others	**6,205**	**-**	**49,406**	**4,719**	**14,939**	**75,271**	**-**	**75,271**
Other revenue	**1,863**	**422**	**232**	**37**	**69**	**2,626**	**-**	**2,626**
Intersegment sales and transfer	**25,179**	**583**	**40,281**	**-**	**992**	**67,037**	**(67,037)**	**-**
Total sales	**865,624**	**49,854**	**89,919**	**227,896**	**16,002**	**1,249,297**	**(67,037)**	**1,182,260**
Segment income	**45,351**	**1,776**	**16,989**	**94,856**	**417**	**159,392**	**(860)**	**158,532**
Segment assets	**2,317,419**	**313,588**	**224,808**	**1,163,751**	**13,610**	**4,033,178**	**(293,476)**	**3,739,701**
Other items								
Depreciation and amortization	**65,898**	**10,966**	**10,055**	**29,644**	**352**	**116,917**	**(842)**	**116,074**
Amortization of goodwill	**-**	**-**	**-**	**606**	**-**	**606**	**-**	**606**
Interest income	**3,288**	**6**	**5,438**	**3,966**	**44**	**12,743**	**(2,588)**	**10,155**
Interest expenses	**13,553**	**2,511**	**442**	**17,935**	**73**	**34,517**	**(2,588)**	**31,929**
Equity income (loss) of affiliates	**(1,430)**	**-**	**-**	**65,308**	**-**	**63,878**	**-**	**63,878**
Investment in affiliates	**44,780**	**-**	**-**	**269,523**	**-**	**314,304**	**-**	**314,304**
Increase in tangible and intangible non-current assets	**80,784**	**44,394**	**4,802**	**60,226**	**307**	**190,516**	**(1,940)**	**188,576**

(Notes)

1. The adjustment amounts for segment income, segment assets, depreciation and amortization, 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 within the consolidated financial statements.

(Related Information)

For the year ended March 31, 2025

1. Information by products and services

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

2. Geographical information

(1) Operating revenue

Millions of yen

Japan	Thailand	Other	Total
¥1,013,954	¥203,533	¥99,185	¥1,316,674

(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
¥1,676,505	¥302,036	¥304,917	¥2,283,459

3. Sales to main customers

Millions of yen

	Amount of sales	Related segment
Japan Electric Power Exchange (JEPX)	¥220,376	Power Generation Business
Electricity Generating Authority of Thailand (EGAT)	180,695	Overseas business
The Chugoku Electric Power Co., Inc.	¥149,995	Power Generation Business

For the year ended March 31, 2026

1. Information by products and services

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

2. Geographical information

(1) Operating revenue

Millions of yen

Japan	Thailand	Other	Total
¥907,183	**¥170,204**	**¥104,872**	**¥1,182,260**

(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
¥1,700,705	**¥301,300**	**¥341,960**	**¥2,343,965**

3. Sales to main customers

Millions of yen

	Amount of sales	Related segment
Japan Electric Power Exchange (JEPX)	**¥191,732**	Electric power business

Electricity Generating Authority of Thailand (EGAT)	**147,095**	Overseas business
The Chugoku Electric Power Co.,Inc.	**¥121,889**	Electric power business

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

For the year ended March 31, 2025

This information is omitted due to lack of materiality.

For the year ended March 31, 2026

Millions of yen

	Reporting segments					
	Power Generation Business	Transmission and Transformation Business	Electric Power Related Business	Overseas Business	Other Business	Total
Impairment losses	**¥8,657**	**-**	**¥1,095**	**¥23,235**	**-**	**¥32,988**

(Note) Since impairment losses on non-current assets are recognized as extraordinary losses, they are not included in segment profit.

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

For the year ended March 31, 2025

Millions of yen

	Reporting segments					
	Power Generation Business	Transmission and Transformation Business	Electric Power Related Business	Overseas Business	Other Business	Total
Balance as of March 31, 2025	-	-	-	¥11,118	-	¥11,118

(Note) Regarding the amount of amortization of goodwill, descriptions are omitted as similar information are disclosed in the segment information.

For the year ended March 31, 2026

Millions of yen

	Reporting segments					
	Power Generation Business	Transmission and Transformation Business	Electric Power Related Business	Overseas Business	Other Business	Total
Balance as of March 31, 2026	**-**	**-**	**-**	**¥5,689**	**-**	**¥5,689**

(Notes)

1. Regarding the amount of amortization of goodwill, descriptions are omitted as similar information are disclosed in the segment information.
2. In Overseas Business segment, impairment losses on goodwill of 5,536 million yen have been recognized.

(Information about gain on negative goodwill by reportable segments)

For the year ended March 31, 2025

Not applicable.

For the year ended March 31, 2026

Not applicable.

(Related Party Information)

1. **Summary of financial information of important affiliates**

Transactions between the Company submitting the consolidated financial statements and related parties

Unconsolidated subsidiaries and associated companies of the Company submitting the consolidated financial statements

For the year ended March 31, 2025

Type	Affiliated Company
Company Name or Individual Name	Oga Katagami Akita Offshore Green Energy LLC.
Location	Katagami City, Akita Prefecture
Capital or Investment (Millions of yen)	¥1
Business Activities or Profession	Wind Power Generation Business
Ownership (or Owned) Voting Rights Ratio (%)	(Ownership) Direct 37.0
Relationship with Related Parties	Debt Guarantee
Transaction Details	Debt Guarantee (Note)
Transaction Amount (Millions of yen)	¥54,800
Account Title	-
Balance as of March 31, 2025 (Millions of yen)	-

(Note) Transaction terms and policy for determining transaction terms, etc.

Debt guarantees are provided for letters of credit and other instruments issued by financial institutions.

For the year ended March 31, 2026

Type	Affiliated Company
Company Name or Individual Name	Oga Katagami Akita Offshore Green Energy LLC.
Location	Katagami City, Akita Prefecture
Capital or Investment (Millions of yen)	**¥1**
Business Activities or Profession	Wind Power Generation Business
Ownership (or Owned) Voting Rights Ratio (%)	(Ownership) Direct 37.0
Relationship with Related Parties	Debt Guarantee
Transaction Details	Debt Guarantee (Note)
Transaction Amount (Millions of yen)	**¥83,807**
Account Title	-
Balance as of March 31, 2026 (Millions of yen)	-

(Note) Transaction terms and policy for determining transaction terms, etc.

Debt guarantees are provided for letters of credit and other instruments issued by financial institutions.

2. Notes on the parent company and significant associated companies

Summary financial information of significant associated companies

In the current fiscal year, the significant associate is J-POWER USA Generation, L.P. and its summary financial information is as follows.

		Millions of yen
J-POWER USA Generation, L.P.		
As of March 31	2025	**2026**
Current assets	-	**¥37,935**
Non-current assets	-	**81,337**
Current liabilities	-	**3,337**
Non-current liabilities	-	**15,596**
Net assets	-	**100,379**
Operating revenue	-	**11,884**
Profit before income taxes	-	**108,863**
Profit attributable to owners of the parent	-	**¥108,863**

(Note) J-POWER USA Generation, L.P. has been classified as a significant associate from the current fiscal year due to its increased significance.

Per Share Information

Year ended March 31	2025 (Yen)	2026 (Yen)
Net assets per share	¥7,305.66	**¥7,985.24**
Earnings per share	¥505.64	**¥325.51**

(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, the Company's shares held by the Trust Account for the Stock Delivery Trust for Directors are included in treasury shares as a deduction in the calculation of the total number of shares issued and outstanding at the end of the fiscal year (170 thousand shares for the previous fiscal year, 325 thousand shares for the current fiscal year). In addition, for the calculation of net income per share, Company shares held by the Trust Account are included in treasury shares as a deduction in the calculation of the average number of shares outstanding during the period (172 thousand shares for the previous fiscal year, 268 thousand shares for the current fiscal year).

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

Year ended March 31		2025	2026
Profit attributable to owners of parent	Millions of yen	¥92,469	**¥58,537**
Amount not attributable to ordinary shareholders	Millions of yen	-	**-**
Profit attributable to owners of parent related to common stock	Millions of yen	¥92,469	**¥58,537**
Weighted average number of common stock outstanding during the year	Thousands of shares	182,874	**179,832**

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

As of March 31		2025	2026
Total net assets	Millions of yen	¥1,463,502	**¥1,534,476**
Amount deducted from total net assets	Millions of yen	127,467	**129,008**
(non-controlling interests included in the above)	Millions of yen	(127,467)	**(129,008)**
Year-end net assets related to common stock	Millions of yen	¥1,336,034	**¥1,405,468**
The number of common stock used in the calculation of net assets per share	Thousands of shares	182,876	**176,008**

Significant subsequent events

(Partial Acquisition of Shares in Pak Lay Power Company Limited)

The Company, together with HAZAMA ANDO CORPORATION, acquired a portion of the shares of Pak Lay Power Company Limited, a power generation company wholly owned by Gulf Development Public Company Limited, a major Thai energy company, through JH International B.V., a joint venture between the two companies, effective April 2, 2026. In connection with the acquisition of these shares, JH International B.V., a consolidated subsidiary of the Company, and Gulf Development Public Company Limited entered into a shareholders' agreement pursuant to which both parties have joint control over Pak Lay Power Company Limited, and there are no other facts and circumstances indicating that either party controls the entity. Therefore, this business combination was determined to be the formation of a jointly controlled entity. Accordingly, Pak Lay Power Company Limited is expected to become an equity-method affiliate of the Company from the fiscal year ending March 2027.

(1) Purpose of the Share Acquisition

Through the acquisition of shares, the Company will participate in the Pak Lay Hydropower Project (the “Project”). The Project is a run-of-river hydropower plant that utilizes the Mekong River’s abundant natural flow as is, and incorporates designs and operating practices that minimize environmental impact on the river ecosystem. Through this Project, and in line with the Company’s corporate philosophy of “achieving harmony with the environment and earning the trust of local communities," the Company aims to contribute to the stable supply of electricity and the reduction of environmental impact in Southeast Asia, as well as to the realization of carbon neutrality, as set forth in the Company's "BLUE MISSION 2050."

(2) Name of the Counterparty to the Share Acquisition
Gulf Development Public Company Limited

(3) Name, Business Description, and Scale of the Company Whose Shares Are to Be Acquired

1. Name:
   Pak Lay Power Company Limited
2. Business Description
   Construction and operation of a hydropower plant in Laos
3. Capital
   USD 99 million

(4) Timing of the Share Acquisition
April 2, 2026

(5) Number of Shares to Be Acquired, Acquisition Cost, and Ownership Ratio After the Acquisition

1. Number of shares to be acquired
   327,981,000 shares
2. Acquisition cost
   USD 144 million
3. Ownership ratio after acquisition
   51% (indirect ownership by the Company: 48.96%)

(Partial Acquisition of Shares in Klongluang Utilities Company Limited and another company)

The Company, through its wholly owned subsidiary J-POWER Holdings (Thailand) Co., Ltd., entered into agreements on April 23, 2026, to partially acquire shares in Klongluang Utilities Company Limited ("KLU") and Banpong Utilities Company Limited ("BPU"), both power generation companies wholly owned by Electricity Generating Public Company Limited of Thailand.

The Company plans to participate in the business of these companies upon obtaining the required approvals from the relevant Thai authorities. In accordance with these agreements, both KLU and BPU are expected to become equity-method affiliates of the Company from the fiscal year ending March 2027.

(1) Purpose of the Share Acquisition
KLU operates a gas-fired combined cycle power plant in Pathum Thani Province, Thailand, which commenced commercial operation in July 2017 (generation capacity: 122 MW; steam supply: 15 tons/hour). BPU operates a gas-fired combined cycle power plant in Ratchaburi Province, Thailand, which began commercial operation in October 2017 (generation capacity: 256 MW; steam supply: 80 tons/hour). This business operates under the Small Power Producer (SPP) program, supplying electricity wholesale to the Electricity Generating Authority of Thailand (EGAT) while also directly selling electricity and steam to companies located in industrial estates.
Furthermore, this initiative contributes to the realization of "establishing and growing sustainable sources of earnings," as set forth in the Group Medium-Term Management Plan 2024–2026 announced in May 2024.

(2) Name of the Counterparty to the Share Acquisition
Electricity Generating Public Company Limited

(3) Name, Business Description, and Scale of the Company Whose Shares Are to Be Acquired

I. Klongluang Utilities Company Limited
   Business Description: Operation of power generation facilities in Thailand
   Capital: THB 1,000 million

II. Banpong Utilities Company Limited
   Business Description: Operation of power generation facilities in Thailand

Capital: THB 2,000 million

(4) Timing of the Share Acquisition

Around August 2026

(5) Number of Shares to Be Acquired, Acquisition Cost, and Ownership Ratio After the Acquisition

I. Number of shares to be acquired

KLU: 49,000,000 shares

BPU: 98,000,000 shares

II. Acquisition cost

THB 2,765 million*

* The total acquisition cost for KLU and BPU combined.

III. Ownership ratio after acquisition:

KLU: 49%

BPU: 49%

(Cancellation of Treasury Shares)

At the Board of Directors meeting held on April 30, 2026, the Company resolved to cancel treasury shares pursuant to the provisions of Article 178 of the Companies Act of Japan and carried out such retirement on May 15, 2026.

(1) Reason for the Cancellation of Treasury Shares

To improve capital efficiency and enhance shareholder returns.

(2) Details of the Cancellation

1. Class of shares to be cancelled

   Common shares

2. Number of shares to be cancelled:

   6,713,200 shares

   (representing 3.7% of the total number of issued shares prior to the cancellation)

3. Scheduled cancellation date

   May 15, 2026

4. Method of cancellation

   Reduction of retained earnings

Schedule of Consolidated Financial Statements

Schedule of Bonds Payable

Electric Power Development Co., Ltd. straight bond

No.	Issued date	Balance as of April 1, 2025	Balance as of March 31, 2026	Interest rate	Secured /Unsecured	Term of redemption (lump-sum)
		Millions of yen	Millions of yen	%		
13	Jul. 22, 2005	20,000	-	2.040	Unsecured	Jun. 20, 2025
15	Oct. 20, 2005	20,000	-	2.110	Unsecured	Sep. 19, 2025
26	Mar. 12, 2009	14,997	14,997	2.220	Unsecured	Dec. 20, 2028
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
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	-	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	-	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	-	0.350	Unsecured	Jul. 18, 2025

80	Aug. 24, 2022	18,000	18,000	0.615	Unsecured	Aug. 20, 2029
81	Aug. 24, 2022	13,700	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	20,000	0.930	Unsecured	May 20, 2033
87	Feb. 16, 2024	20,000	20,000	1.106	Unsecured	Feb. 20, 2034
88	Feb. 16, 2024	5,000	5,000	1.754	Unsecured	Feb. 20, 2043
89	Apr. 10, 2024	10,000	10,000	1.121	Unsecured	Apr. 20, 2034
90	Aug. 16, 2024	7,800	7,800	1.386	Unsecured	Aug. 20, 2034
91	Jun. 12, 2025	-	13,300	2.027	Unsecured	Jun. 20, 2035
92	Jun. 12, 2025	-	2,000	2.694	Unsecured	Jun. 20, 2045
93	Aug. 14, 2025	-	16,500	2.015	Unsecured	Aug. 20, 2035
94	Aug. 14, 2025	-	6,900	2.240	Unsecured	Sep. 18, 2037
95	Nov. 28, 2025	-	25,000	2.267	Unsecured	Nov. 20, 2035
96	Nov. 28, 2025	-	6,200	2.813	Unsecured	Nov. 20, 2040
97	Nov. 28, 2025	-	11,100	3.137	Unsecured	Nov. 20, 2045
			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	¥746,887	¥733,987	-	-	-

(Notes) 1. The balance as of March 31, 2026 regarding bonds No.42, No.43, No.45, No.83 are redeemable within one year.

2. The amounts redeemable within five years after March 31, 2026 are as follows;

	Millions of yen
Due in one year or less	**¥55,000**
Due after one year through two years	**100,000**
Due after two years through three years	**75,000**
Due after three years through four years	**48,000**
Due after four years through five years	**¥50,000**

Schedule of borrowings, etc.

Category	Balance as of April 1, 2025 Millions of yen	Balance as of March 31, 2026 Millions of yen	Average rate of interest %	Repayment date
Long-term borrowings (excluding current portion)	¥998,134	**¥989,700**	2.546	From Apr. 1, 2027 To Sep. 30, 2043
Lease liabilities (excluding current portion)	2,035	**1,905**	-	From Apr. 1, 2027 To Dec. 19, 2049
Current portion of long-term borrowings	122,839	**148,491**	2.089	-
Current portion of lease liabilities	1,034	**857**	-	-
Short-term borrowings	8,133	**8,270**	1.337	-
Total	¥1,132,176	**¥1,149,223**	-	-

(Notes) 1. The average rate of interest is the weighted average rate of interest for loans as of March 31, 2026.

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, 2026 are as follows;

Millions of yen

Category	Long-term borrowings	Lease liabilities
Due after one year through two years	**¥214,220**	**¥367**
Due after two years through three years	**90,087**	**211**
Due after three years through four years	**112,078**	**145**
Due after four years through five years	**¥108,697**	**¥117**

Schedule of Asset Retirement Obligations

Millions of yen

Category	Balance as of April 1, 2025	Increase	Decrease	**Balance as of March 31, 2026**
Restoration obligations due to real estate lease agreement	¥16,628	¥3,041	¥183	**¥19,486**
Restoration obligation due to the electric power sales contract in overseas business	7,589	934	-	**8,524**
Restoration obligation due to original condition upon mine closure	8,335	399	829	**7,906**
Other	¥7,199	¥543	¥469	**¥7,273**

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, 2026, 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, 2026, 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, including those applicable to audits of financial statements of public interest entities, 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.

Shape the future with confidence

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 ¥774,903 million on its consolidated balance sheet as of March 31, 2026, which represents 21% of total assets. This includes construction in progress related to the Ohma Nuclear Power Plant project. 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 announced that it would begin construction on facility safety reinforcement as soon as possible and aims to complete it in the second half of 2029. However, in light of the status of the NRA's review and the need for further compliance with the New Safety Standards, achieving this target has become challenging, and the Company is reassessing the schedule for construction on facility safety reinforcement. In addition, the Company bid in FY2025 Long-Term Decarbonization Power Source Capacity Auction for the Ohma Nuclear Power Plant and won the bid.	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 Nuclear Power Plant project, we: ● inspected publicly available materials and minutes of the Nuclear Energy Subcommittee of the Electricity and Gas Industry Committee under the Advisory Committee for Natural Resources and Energy of the Ministry of Economy, Trade and Industry (METI), which is being held in connection with the formulation of nuclear policy based on Seventh Strategic Energy Plan, in order to understand the future national nuclear energy policy; ● inspected the latest Plans for the Utilization of Plutonium (February 2026), which was formulated by 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 progress of the review by the NRA and the effect on upcoming construction of the Ohma Nuclear Power Plant. 2. To evaluate the reasonableness of estimates of undiscounted future cash flows, we:

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. The significant assumptions used in estimating the undiscounted future cash flows are future sales revenue, additional construction costs, and operating costs of the power plant, which are described in Significant Accounting Estimates in Notes to Consolidated Financial Statements. Given that these assumptions involve subjectivity and uncertainty, and 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.	● discussed the contents 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; ● 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 February 2025 and made inquiries of management regarding the effect of changes in economic conditions, including recent price trends; ● made inquiries of management regarding the impact of the Company's winning bid in the Long-Term Decarbonization Power Source Capacity Auction on the estimation of undiscounted future cash flows; and

	● involved valuation specialists from our network firm to assess the valuation methodologies used in calculating undiscounted future cash flows.

Valuation of fixed assets related to GENEX POWER PTY LTD	
Description of Key Audit Matter	**Auditor's Response**

The Group recorded goodwill related to the business combination with GENEX POWER LIMITED (currently GENEX POWER PTY LTD) (GENEX) conducted through JP Generation Australia Pty. Ltd. (JPGA). As described in "4) Impairment losses," under the Consolidated Statement of Income in the Notes to Consolidated Financial Statements, the Group recorded impairment losses on fixed assets, including goodwill, of ¥23,235 million on the Consolidated Statement of Income. The impairment loss represents approximately 40% of profit attributable to owners of parent.
 	
As described in "Significant accounting estimates" in the Notes to Consolidated Financial Statements, the consolidated financial statements of JPGA are prepared in accordance with International Financial Reporting Standards. Based on IAS 36 "Impairment of Assets," the Group conducts impairment tests on cash-generating units, including goodwill, annually and whenever there is an indication that a cash-generating unit may be impaired. If the recoverable amount is less than the carrying amount, the carrying amount shall be reduced to the recoverable amount. That reduction is an impairment loss.
	We mainly performed the following audit procedures to examine the valuation of fixed assets related to GENEX, with the involvement of the component auditor.
	● We made inquiries of management relating to the operating environment surrounding GENEX.
	● We compared future cash flows to business plans approved by GENEX's board of directors.
	● We performed the following procedures with respect to future electricity sales volumes and sales prices included in future cash flows.
	  ● We inspected power purchase agreements.
	  ● We evaluated the assumptions related to estimates for future electricity sales volumes.
	  ● We compared future sales prices with historical outcomes and publicly available data from external sources.
	● We compared the construction costs included in future cash flows with contracts, approved budgets, and historical construction cost data.
	● We involved valuation specialists from our network firm to consider the valuation models and discount rates used by management.

The Group measures the recoverable amount of the cash-generating units containing goodwill, primarily using value in use. The future cash flows used for measuring value in use are estimated based on future business plans. The significant assumptions used in estimating these future cash flows include future electricity sales volumes, sales prices, construction costs, and discount rates. Given that the aforementioned significant assumptions used in estimating recoverable amounts involve subjectivity and uncertainty and require assessment and judgment of management, we determined that the valuation of fixed assets related to GENEX is a key audit matter.	● We performed sensitivity analysis, considering the risks associated with fluctuations in the underlying business plans, to assess the uncertainty of estimates of future cash flows.

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review 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, 2026 are 412 million yen and 196 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 30, 2026

Morio Sato
Designated Engagement Partner
Certified Public Accountant

Yasuo Maeda
Designated Engagement Partner
Certified Public Accountant