

TRANSLATION: This is an English translation of the Japanese original, prepared only for the convenience of shareholders residing outside Japan. Please note that the notes to the financial statements are abbreviated in this translation. The original Japanese version will prevail should there be any difference in the meaning between the English version and the Japanese version. ELECTRIC POWER DEVELOPMENT CO., LTD. does not guarantee the accuracy and/or the completeness of the translation and shall have no liability for any errors or omissions therein. Names of laws of Japan herein are based on those designated in the "Japanese Law Translation Database System," a website managed by the Ministry of Justice of Japan.



May 31, 2013

Dear Shareholder:

Masayoshi Kitamura
President and Representative Director
Electric Power Development Co., Ltd. (J-POWER)
15-1, Ginza 6-chome, Chuo-ku, Tokyo
(Securities code: 9513)

Notice of the 61st Ordinary General Meeting of Shareholders

You are cordially invited to attend the 61st Ordinary General Meeting of Shareholders of Electric Power Development Co., Ltd. ("the Company"), which will be held as described hereunder.

If you are unable to attend the meeting, you may exercise your voting rights in writing or by electronic means (the Internet, etc.). Please review the appended "Reference Materials for the General Meeting of Shareholders" and exercise your voting rights no later than 5:30 p.m. on Monday, June 24, 2013, Japan time.

Notice

1. Date & Time: 10:00 a.m., Tuesday, June 25, 2013

2. Place: Tokyo Prince Hotel
3-1, Shibakoen 3-chome, Minato-ku, Tokyo

3. Agenda:

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 61st fiscal year (from April 1, 2012 to March 31, 2013), in addition to reports on the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-consolidated Financial Statements for the 61st fiscal year (from April 1, 2012 to March 31, 2013)

Matters to be resolved:

Proposal 1. Appropriation of Surplus

Proposal 2. Election of Twelve (12) Directors

Proposal 3. Election of One (1) Audit & Supervisory Board Member

4. Instructions for Voting:

(1) Attending the General Meeting of Shareholders

If you are intending to attend the General Meeting of Shareholders in person, please present the enclosed Exercise of Voting Rights Form to the reception desk upon your arrival.

(2) Voting by Proxy

If you are unable to attend the General Meeting of Shareholders in person, you may still vote by appointing a proxy who is a shareholder of the Company entitled to exercise voting rights (or if the shareholder is a corporation, an employee of the corporation). Please have your proxy submit a written document certifying the authority of proxy to the reception desk.

(3) Voting in Writing (by mail)

Please indicate your vote for or against each of the proposals on the enclosed Exercise of Voting Rights Form, and return the form to us.

(4) Exercise of Voting Rights Electronically

To exercise your voting rights via the Internet, please refer to the attached “Instructions for Exercising Voting Rights” (abbreviated in this translation).

Shareholders participating in the ICJ’s Electric Voting Platform for institutional investors may vote using that platform.

(5) Handling of Duplicate Votes

If you cast multiple voting both by mail and by electronic means, the vote submitted by electronic means shall be deemed valid. If you exercise your voting rights on the same proposal more than once by the same method, the vote submitted last shall be deemed valid.

5. Method to Inform Shareholders of Changes in the Reference Materials for the General Meeting of Shareholders, etc.:

Should any amendments to the appended Reference Materials for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements arise under any unavoidable circumstances, we will inform you of such amended matters by posting them on the Company website.

(<http://www.jpowers.co.jp/english>)

REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposals and Reference Information

Proposal 1: Appropriation of Surplus

The most notable feature of the Company's business model is to gain investment returns from the long-term operation of power stations and other infrastructure based on the Company's long-standing operational capability, which includes the construction of power stations and the like. The Company expects to continue applying an appropriate level of retained earnings towards business investments that will lead to new growth, while, recognizing that the Company's financial position requires reinforcement, also working to further build equity capital.

Taking into consideration this business feature, the Company focuses on the importance of stable dividends and strives to return more profits to shareholders by continuously improving its corporate value and fostering the growth of the Company.

The business environment surrounding the Company during this fiscal year has been still uncertain since the Great East Japan Earthquake. Nonetheless, the Company continues to enhance the competitiveness of the wholesale electric power business, its core operation, as well as to expand its businesses, thereby achieving higher and sustainable profitability.

With these in mind, the Company strives to provide long-term, stable returns to shareholders, and proposes an annual dividend of 70 yen per share for the 61st fiscal year. Having already paid an interim dividend of 35 yen per share in November last year, the Company proposes an additional 35 yen per share for the year-end dividend.

Therefore, the Company proposes the appropriation of surplus for the fiscal year as follows:

(1) Items relating to the year-end dividend:

Type of dividend assets	Cash
Distribution of dividends	35 yen per share of common stock of the Company Total amount: 5,251,830,850 yen
Effective date of the distribution	Wednesday, June 26, 2013

(2) Other items relating to the appropriation of surplus:

Increased surplus	General reserve: 5,000,000,000 yen
Decreased surplus	Retained earnings carried forward: 5,000,000,000 yen

Proposal 2: Election of Twelve (12) Directors

The term of office for all twelve (12) Directors expires as of the end of this meeting.

Accordingly, the Company proposes the election of twelve (12) Directors.

The candidates for Directors are as follows:

Candidate Number	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties and Responsibilities as a Director of the Company	Number of Shares of the Company Held
1 Reappointment	Yasuo Maeda (January 31, 1951)	<p>April 1974 Joined the Company</p> <p>October 2002 Executive Officer, Department Director of Engineering Dept.</p> <p>June 2004 Executive Director, Executive Officer and Department Director of Engineering Dept.</p> <p>June 2006 Executive Managing Director</p> <p>June 2009 Executive Vice President and Representative Director (current position)</p>	13,180 shares
2 Reappointment	Masayoshi Kitamura (May 11, 1947)	<p>April 1972 Joined the Company</p> <p>June 2000 Department Director of Corporate Planning & Administration Dept.</p> <p>June 2001 Executive Director, Department Director of Corporate Planning & Administration Dept.</p> <p>April 2002 Executive Director</p> <p>June 2004 Executive Managing Director</p> <p>June 2007 Executive Vice President and Representative Director</p> <p>June 2009 President and Representative Director (current position)</p>	23,840 shares
3 Reappointment	Yoshihiko Sakanashi (November 12, 1953)	<p>April 1976 Joined the Company</p> <p>July 2001 Office Director of Business Development Strategy Office</p> <p>October 2002 Executive Officer, Department Director of Business Planning Dept.</p> <p>June 2004 Executive Director</p> <p>June 2007 Executive Managing Director</p> <p>June 2009 Executive Vice President and Representative Director (current position)</p>	12,240 shares
4 Reappointment	Minoru Hino (November 11, 1947)	<p>April 1971 Joined the Company</p> <p>June 2000 Department Director of Nuclear Power Dept.</p> <p>April 2002 Executive Officer, Department Director of Nuclear Power Dept.</p> <p>June 2004 Executive Officer, Special Advisor</p> <p>June 2006 Executive Director</p> <p>June 2007 Executive Managing Director</p> <p>June 2010 Executive Vice President and Representative Director (current position)</p>	16,300 shares

Candidate Number	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties and Responsibilities as a Director of the Company	Number of Shares of the Company Held
5 Reappointment	Toshifumi Watanabe (March 10, 1955)	<p>April 1977 Joined the Company</p> <p>April 2002 Department Director of Corporate Planning & Administration Dept. and Office Director of Privatization Office, Corporate Planning & Administration Dept.</p> <p>October 2002 Department Director of Corporate Planning & Administration Dept. and Office Director of Privatization Office, Corporate Planning & Administration Dept.</p> <p>June 2004 Department Director of Corporate Planning & Administration Dept.</p> <p>June 2006 Executive Director</p> <p>June 2009 Executive Managing Director</p> <p>June 2012 Executive Director and Executive Managing Officer (current position)</p>	11,500 shares
6 Reappointment	Seigo Mizunuma (May 1, 1953)	<p>April 1978 Joined the Company</p> <p>June 2004 Executive Officer, Department Director of International Activities Dept.</p> <p>June 2007 Executive Managing Officer, Department Director of International Power Business Management Dept.</p> <p>July 2008 Executive Managing Officer</p> <p>June 2009 Executive Director</p> <p>June 2012 Executive Director and Executive Managing Officer (current position)</p>	9,800 shares
7 Reappointment	Kuniharu Takemata (September 29, 1954)	<p>April 1978 Joined the Company</p> <p>June 2004 Department Director of Business Planning Dept.</p> <p>June 2006 Executive Officer, Department Director of Business Planning Dept.</p> <p>July 2006 Executive Officer, Department Director of Corporate Planning & Administration Dept.</p> <p>June 2007 Executive Managing Officer, Department Director of Corporate Planning & Administration Dept.</p> <p>June 2009 Executive Director</p> <p>June 2012 Executive Director and Executive Managing Officer (current position)</p>	13,300 shares
8 Reappointment	Junji Nagashima (September 5, 1952)	<p>April 1978 Joined the Company</p> <p>April 2006 Department Director of Nuclear Power Dept.</p> <p>June 2007 Executive Officer, Department Director of Nuclear Power Dept.</p> <p>May 2008 Executive Officer, Department Director of Nuclear Power Construction Dept.</p> <p>June 2009 Executive Managing Officer, Department Director of Nuclear Power Construction Dept.</p> <p>June 2010 Executive Director</p> <p>June 2012 Executive Director and Executive Managing Officer (current position)</p>	10,600 shares

Candidate Number	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties and Responsibilities as a Director of the Company	Number of Shares of the Company Held
9 Reappointment	Hitoshi Murayama (February 2, 1954)	<p>April 1980 Joined the Company</p> <p>June 2008 Department Director of Thermal Power Dept.</p> <p>June 2009 Executive Officer, Department Director of Thermal Power Dept.</p> <p>June 2010 Executive Officer, Department Director of Thermal Power Engineering Dept.</p> <p>December 2011 Executive Officer, Department Director of Thermal Power Engineering Dept.</p> <p>June 2012 Executive Director and Executive Managing Officer (current position)</p>	8,700 shares
10 New Appointment	Masato Uchiyama (July 23, 1955)	<p>April 1978 Joined the Company</p> <p>March 2005 Department Director of Energy Business Dept.</p> <p>July 2008 Special Advisor and Department Director of Energy Business Dept.</p> <p>June 2009 Executive Officer, Department Director of Energy Business Dept.</p> <p>December 2011 Executive Managing Officer (current position)</p>	5,900 shares
11 New Appointment	Naori Fukuda (March 25, 1956)	<p>April 1979 Joined the Company</p> <p>June 2008 Department Director of Civil and Electrical Engineering Dept.</p> <p>June 2010 Executive Officer, Department Director of Civil and Electrical Engineering Dept.</p> <p>June 2012 Executive Managing Officer (current position)</p>	6,800 shares
12 Reappointment	Go Kajitani (November 22, 1936)	<p>April 1967 Registered as an attorney at law (Dai-ichi Tokyo Bar Association) Joined KAJITANI LAW OFFICES</p> <p>April 1998 President of Dai-ichi Tokyo Bar Association, Vice President of Japan Federation of Bar Associations</p> <p>April 1999 Senior Partner of KAJITANI LAW OFFICES</p> <p>June 2003 Outside Audit & Supervisory Board Member of NICHIAS Corporation</p> <p>April 2004 President of Japan Federation of Bar Associations</p> <p>June 2007 Chairman of the Central Third-Party Committee to Check Pension Records, the Ministry of Internal Affairs and Communications</p> <p>June 2009 Non-Executive Director (Outside Director) of the Company (current position)</p> <p>April 2011 President of Japan Legal Support Center (current position)</p> <p>June 2011 Outside Audit & Supervisory Board Member of The Yokohama Rubber Company, Limited (current position)</p>	0 shares

Notes:

1. There is no conflict of interest between any of the Director candidates and the Company.
2. Of the Director candidates, Messrs. Yasuo Maeda, Masayoshi Kitamura, Yoshihiko Sakanashi, Minoru Hino, Toshifumi Watanabe, Seigo Mizunuma, Kuniharu Takemata, Junji Nagashima, Hitoshi Murayama and Go Kajitani are currently Directors of the Company, and their duties and responsibilities are as described on pages 23 to 25.
3. Mr. Go Kajitani is an Outside Director candidate. The Company has appointed him as an independent

director/auditor specified by the Tokyo Stock Exchange.

- (1) With his distinguished knowledge as an attorney and abundant experience in the legal profession, the Company endorses his election as an Outside Director. Although he has no experience in the management of a company other than as an Outside Director/Outside Audit & Supervisory Board Member, for the aforementioned reasons, the Company judged that he would be able to appropriately execute the duties of Outside Director.
- (2) He currently serves as an Outside Director of the Company, and his term of office will be four years as of the end of this General Meeting of Shareholders.
- (3) The Company has entered into a contract with him that limits his liability for damages arising from failure to perform duties in accordance with Article 427, Paragraph 1 of the Companies Act. The limit under that contract will be the amount prescribed by the applicable laws and regulations. If the candidate is elected, it is planned to continue the limited liability contract.

Proposal 3: Election of One (1) Audit & Supervisory Board Member

The term of office for Audit & Supervisory Board Member Kanji Shimada expires as of the end of this meeting.

Accordingly, the Company proposes the election of one (1) Audit & Supervisory Board Member.

The Audit & Supervisory Board has approved this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Candidate Number	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties as an Audit & Supervisory Board Member of the Company	Number of Shares of the Company Held
1 New Appointment	Akira Samata (August 27, 1954)	<p>April 1977 Joined the Company</p> <p>June 2004 Department Director of General Affairs Dept.</p> <p>April 2006 Department Director of General Affairs Dept. and Office Director of Public Relation Office, General Affairs Dept.</p> <p>July 2006 Special Advisor and Department Director of Secretarial Affairs & Public Relation Dept. and Office Director of Secretarial Affairs Office, Secretarial Affairs & Public Relation Dept.</p> <p>June 2009 Executive Officer, Department Director of Secretarial Affairs & Public Relation Dept. and Office Director of Secretarial Affairs Office, Secretarial Affairs & Public Relation Dept.</p> <p>December 2011 Executive Managing Officer (current position)</p>	10,000 shares

Note: There is no conflict of interest between the Audit & Supervisory Board Member candidate and the Company.

(Attachments)

BUSINESS REPORT (from April 1, 2012 to March 31, 2013)

I Items Regarding Status of Group Operations

1. Overview of Operations

During the fiscal year under review, the Japanese economy was weak as export and production volume decreased on the back of the slowdown of global economies, although there was strong demand from recovery and reconstruction projects after the Great East Japan Earthquake.

Demand for electricity has dropped compared to the previous fiscal year mainly due to impact from the firmly-rooted power-saving initiatives and the decline in demand from industries, on top of the decline in air-heating demand that resulted from the higher temperatures in February and March as compared to those of the previous fiscal year.

The sales volume of hydroelectric power in the wholesale electric power business for the fiscal year decreased by 12.5% year on year to 9.0 billion kWh, due to a year-on-year decline in the water supply rate (from 115% to 102%). Meanwhile, the sales volume of thermal power increased by 1.1% year on year to 54.3 billion kWh, due to an increased load factor of power stations (from 77% to 78%) compared to the previous fiscal year. As a result, the total sales volume of the wholesale electric power business, combining the hydroelectric and thermal power, was 63.3 billion kWh.

The sales volume of other electric power businesses increased by 11.4% year on year to 2.2 billion kWh, thanks in part to a higher load factor of power stations for IPPs and PPSs (Power Producers and Suppliers) etc. As a result, the sales volume of the overall electric power business was 65.6 billion kWh.

Revenues from hydroelectric power in the wholesale electric power business decreased due to a lower water supply rate, while those from thermal power also decreased due to such factors as lower fuel prices even though the load factor of the power stations increased. Revenues from other electric power businesses increased thanks to an improvement in load factors of power stations for IPPs and PPSs (Power Producers and Suppliers) etc. Sales (operating revenue) including other business operating revenue increased by 0.2% year on year to 656.0 billion yen, and total ordinary revenues including non-operating revenues increased by 0.5% year on year to 673.6 billion yen.

Meanwhile, operating expenses decreased by 0.5% year on year to 601.4 billion yen, due to a decrease in depreciation in the electric power business owing to progress in depreciation. Total ordinary expenses including non-operating expenses thus decreased by 0.7% year on year to 628.8 billion yen.

As a result of the above, ordinary income increased by 22.4% year on year to 44.8 billion yen, and net income for the fiscal year after income taxes increased by 85.0% year on year to 29.8 billion yen.

2. Current Challenges

The environment surrounding the electric power businesses has become extremely harsh after the suspension of nuclear power stations, marked by tight conditions of demand and supply of electricity and energy resources and rising energy costs. In addition, the energy policy of the government itself is entering a major transitional stage, as seen in systemic and regulatory reviews on nuclear power, and the Cabinet decisions on the policy on electricity system reform.

Under such circumstances, the J-POWER Group has identified “low-cost and stable power supply,” “response to global environmental issues,” and “enhanced competitiveness and facility maintenance measures” as its three major challenges, and is committed to overcoming these challenges. To this end, the Group is holding “growth strategies” to enhance supply capacity in the medium- to long-term in Japan and overseas as well as “enhancement of business base” that stays a step ahead of the business environment changes while supporting the growth of its business. As specific initiatives in its plans, the Group will work on the following steps to create sustainable growth of corporate value.

(1) Growth Strategies

(a) Replacing or Constructing New/Additional Coal Thermal Power Stations

The utilization of the coal thermal power as the economic and stable basic power source is crucial for ensuring the stable power supply. The J-POWER Group will steadily carry out the replacement works of the No.1 and No.2 Units of Takehara Thermal Power Station*, implementing highly efficient coal thermal power generation technology that ranks among the top in the world, along with its pursuit on possibility of additional replacement and new/additional construction projects.

The Group will continue to develop coal gasification and other technologies that aim for the coal thermal power generation with a higher efficiency and lower carbon footprint. As part of the development of the innovative technologies, the Group has established the Osaki CoolGen Corporation through collaboration with the Chugoku Electric Power Company with a view to commence demonstration tests of an oxygen-blown integrated coal gasification combined cycle (oxygen-blown IGCC) technology in FY2016. The construction of the testing facilities commenced in March 2013 in Osakikamijima-cho, Toyota-gun, Hiroshima Prefecture.

The Group will engage in further reduction in CO² emissions in and outside Japan through the initiatives listed above.

* The Group plans to upgrade the existing No.1 Unit (250 MW) and No.2 Unit (350 MW) in Takehara-shi, Hiroshima Prefecture to New No.1 Unit (600 MW). Currently, the Group is undergoing environmental assessment procedures and aiming for commencement of construction in 2014 and of operation in 2020.

(b) Constructing the Ohma Nuclear Power Station

The J-POWER Group is currently constructing the Ohma Nuclear Power Station (output 1,383 MW; commencement of operation is to be determined) that will use uranium plutonium mixed oxide (MOX) fuel in Ohma-machi, Shimokita-gun, Aomori Prefecture.

Construction of the station began in May 2008, but was suspended immediately after the Great East Japan Earthquake until the construction works resumed in October 2012. The Group is committed to the contribution to the achievement of a steady power supply by ensuring the thorough compliance with the new safety standards that are being established by the Nuclear Regulation Authority as well as the steady implementation of necessary safety measures, with the aim to create a safe electric power station that can be trusted by people in the community.

(c) Global Business Development

With respect to the overseas businesses, the J-POWER Group currently has 31 power stations operating in seven countries and regions with a combined owned capacity of approximately 4,200 MW (as of March 31, 2013).

Currently, two IPP projects and seven SPP (Small Power Producers) projects are in progress in Thailand, out of which three SPP projects have already commenced operation in FY2012. In addition, one coal thermal IPP project is in preparation in Indonesia. The commencement of the construction for the project has been delayed from its initial plan in October 2012, but the Group strives to commence the construction at an earliest possible date in cooperation with the project partners.

Once these power stations are all in operation, the owned capacity is projected to be approximately 8,000 MW. The Group is committed to the steady execution of these projects under construction and in preparation, and the improvement of its earning capacity in the overseas businesses.

(2) Enhancement of Business Base

(a) Maintaining High Capacity Utilization and Enhancing Competitiveness of Coal Thermal Power Stations in Operation

While demand and supply of electricity remain uncertain, coal thermal power is highly anticipated to serve as a basic power source. In order to respond to the demand for high capacity utilization in its facilities without interruption, the J-POWER Group will strengthen measures for facility maintenance as well as those against facility aging, while further enhancing competitiveness through the achievement of higher efficiency in operation and maintenance systems.

The Group will also build a more efficient and stable coal procurement system in consideration of the grade, price, production source and procurement quantities of coal from an overarching perspective, in order to enhance competitiveness of coal thermal power. Furthermore, the Group will pursue the expansion of profit opportunities to the extent possible by further engaging itself with the coal value chain from mining to power generation.

(b) Strengthening Facility Maintenance Measures and Enhancing Values for Hydroelectric Power Stations and Transmission and Transformation Facilities

Hydroelectric power generated by the J-POWER Group in various parts of Japan is a power source that is able to flexibly respond to electricity demand fluctuations and is a core renewable energy that does not emit CO². In order to further increase the value of hydroelectric power generation, the Group will strive to strengthen its facility maintenance measures that adequately accord with measures against natural disasters and the environmental load, and further enhance its competitiveness through the achievement of higher efficiency in operation and maintenance systems. The Group will also engage in facility improvements by such efforts as across-the-board upgrades of major facilities.

Furthermore, the Group has a sound track record in constructing, maintaining and operating transmission and transformation facilities with wide-area interconnection function such as interconnection facilities between regions and frequency converter stations, thus contributing to the operation of Japan's electric power system as a whole. The Group continues to steadily implement maintenance measures for existing wide-area interconnection facilities to contribute to a stable supply of electricity, while leveraging its extensive experience and technologies accumulated over the years in order to respond to the needs for enhancement of facilities that arise from the standpoint of expansion of the capacity to accommodate electricity between the regions and strengthening of functions of such facilities.

(c) Initiatives for Renewable Energy

The J-POWER Group is committed to the development of renewable energy towards attainment of a lower carbon footprint.

For wind power generation facilities in Japan, the Group continuously advances the development of new projects by exploring potential sites favorable to setting up wind power stations, while increasing profitability through higher capacity utilization and more efficient maintenance and operation. The Group is also working on to put it into a practice to utilize offshore wind power.

Furthermore, the Group is steadily advancing the adoption of biomass fuel at its coal thermal power stations, by promoting the business of converting sewage sludge and other biomass resources into fuel.

With regard to the geothermal power generation, Yuzawa Geothermal Project (Yuzawa-shi, Akita Prefecture) is in progress with the aim to commence operation of the station in 2020, while other new projects are also underway for additional development of potential sites.

(d) Strengthening Corporate Governance

To further enhance supervisory functions, the Group has a corporate governance system which consists of the Board of Directors including one Outside Director, and the Audit & Supervisory Board including three Outside Audit & Supervisory Board Members. In addition, in compliance with the Securities Listing Regulations of the Tokyo Stock Exchange, the Group has appointed each of all Outside Directors/Outside Audit & Supervisory Board Members as an independent director/auditor who can maintain a high independence without conflict of interest with the general shareholders. While consistently promoting improvement in corporate governance in response to changes in the business environment, the Group strives to earn and maintain the trust of society, by making every effort to ensure that an awareness of compliance is firmly established in the corporate culture throughout the J-POWER Group and in the mind of every employee.

The Group further strengthens its cost competitiveness to achieve a robust corporate structure that can sustain its stable and efficient business operations. The Group will also continuously strive to reinforce its risk management system by, for example, enhancing the crisis management capability, advancing the disaster readiness measures and strengthening business management structures for the entire Group, while building stronger organizational and personnel frameworks by establishing human resource foundations.

3. Capital Investment

Total Capital Investment: 175,106 million yen

Major Facilities under Construction

Power Generation Facility	Power Transmission Facility
(Nuclear Power) Ohma Nuclear Power Station (1,383 MW)	(Transmission) Ohma Main-Transmission Line (500 kV, 61 km in length)

4. Financing Activities

The following corporate bond issuance and long-term loans have been made in order to fund capital investment and pay down interest-bearing debt.

Category	Amount	Remarks
Bonds	40,000 million yen	Domestic straight bonds
Long-term Loans	207,887 million yen	
Total	247,887 million yen	

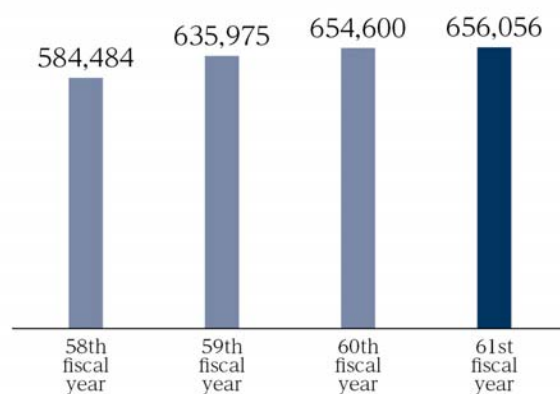
5. Trend in Assets and Profit/Loss

(1) Trend in Assets and Profit/Loss (Consolidated)

Category	58th fiscal year (FY2009)	59th fiscal year (FY2010)	60th fiscal year (FY2011)	61st fiscal year (FY2012)
Operating revenues (millions of yen)	584,484	635,975	654,600	656,056
Ordinary income (millions of yen)	41,694	56,322	36,619	44,825
Net income (millions of yen)	29,149	19,583	16,113	29,808
Earnings per share (yen)	194.26	130.51	107.39	198.65
Total assets (millions of yen)	2,024,080	2,012,386	2,016,394	2,169,909
Net assets (millions of yen)	414,981	414,898	406,192	453,885

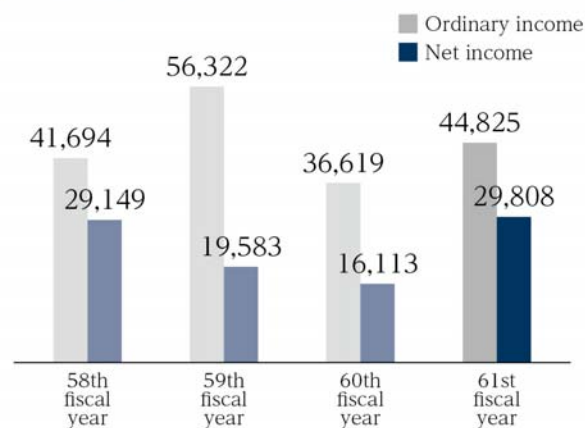
Operating revenues

(Millions of yen)



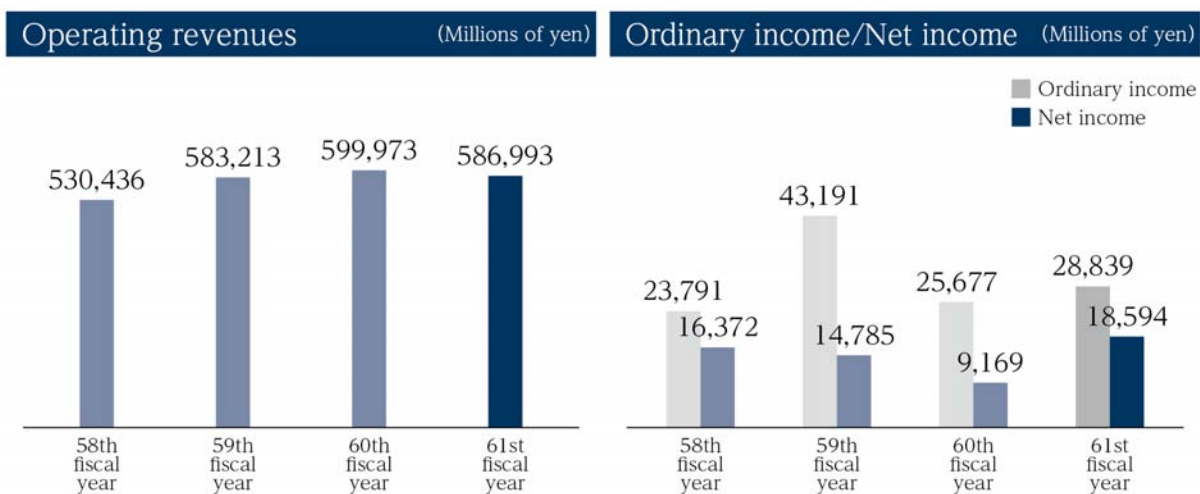
Ordinary income/Net income

(Millions of yen)



(2) Trend in Assets and Profit/Loss (Non-consolidated)

Category	58th fiscal year (FY2009)	59th fiscal year (FY2010)	60th fiscal year (FY2011)	61st fiscal year (FY2012)
Operating revenues (millions of yen)	530,436	583,213	599,973	586,993
Ordinary income (millions of yen)	23,791	43,191	25,677	28,839
Net income (millions of yen)	16,372	14,785	9,169	18,594
Earnings per share (yen)	109.11	98.53	61.11	123.92
Total assets (millions of yen)	1,902,504	1,884,830	1,844,261	1,870,291
Net assets (millions of yen)	346,099	349,079	346,039	358,950



6. Major Areas of Operation (as of March 31, 2013)

The business of the J-POWER Group is comprised of four business segments. The “electric power business,” which consists of wholesale electric power business operated by the Company as a core, as well as other electric power businesses operated by its subsidiaries and affiliates, such as the wind power business, the wholesale electricity supply business provided by IPPs (independent power producers) for general electric utilities, and the wholesale electricity supply business for PPSs (Power Producers and Suppliers) etc. The other segments are the “electric power-related businesses,” which complement the electric power business and contribute to its smooth operation, the “overseas business,” which consists of power generation business and related businesses in overseas countries, and “other businesses,” which utilize the Group’s management resources and expertise, for example, the coal sales business.

Segment	Major Areas of Activity
Electric Power Business	Wholesale electric power business, other electric power businesses
Electric Power-Related Businesses	Design, installation, inspection, and repair of power generation equipment for power stations; operation of port facilities for fuel and coal ash; coal mine development; coal importing and transport; biomass fuel procurement and production; management of welfare facilities; and computer services, etc.
Overseas Business	Investment in overseas power generation and its related businesses; overseas engineering consulting business, etc.
Other Businesses	Waste-fueled power generation; cogeneration system business; environment-related businesses; IT communications; domestic engineering consulting business; and coal sales business, etc.

A brief overview of the business results of each business segment is provided below.

(Electric Power Business)

Sales (Electric Power Business Operating Revenue) for the fiscal year decreased by 0.8% year on year to 608.0 billion yen. Despite an increase in revenues from the other electric power businesses, revenues decreased for hydroelectric power in the wholesale electric power business due to the decreased water supply rate. Although thermal power in the wholesale electric power business showed electricity sales volume increase, revenues decreased mainly due to a decrease in fuel prices.

Segment income increased by 39.5% year on year to 31.0 billion yen, owing to a decrease in depreciation in the electric power business due to progress in depreciation.

(Electric Power-Related Businesses)

Sales (Other Business Operating Revenue) for the fiscal year increased by 1.3% year on year to 345.8 billion yen, mainly due to an increase in revenue from order receipts of periodic inspection works by consolidated subsidiaries of the Company.

Segment income increased by 8.7% year on year to 9.0 billion yen, mainly due to an increase in sales.

(Overseas Business)

Sales (Other Business Operating Revenue) for the fiscal year decreased by 17.9% year on year to 1.6 billion yen.

Segment income increased by 11.7% year on year to 3.9 billion yen, mainly due to an increase in equity income of affiliates.

(Other Businesses)

Sales (Other Business Operating Revenue) for the fiscal year increased by 10.7% year on year to 24.7 billion yen, mainly due to an increase in telecommunication construction sales by consolidated subsidiaries of the Company.

Segment income increased by 0.9 billion yen year on year to 0.9 billion yen, mainly due to an increase in sales.

7. Major Subsidiaries (as of March 31, 2013)

Company Name	Capital (millions of yen)	Equity Share (%)	Primary Areas of Business
Electric Power Business			
Bay Side Energy Co., Ltd.	2,400	100	Electric power supplier
Green Power Aso Co., Ltd.	490	100	Wind power facilities construction and operation
J-Wind Co., Ltd.	100	100	Wind power facilities construction and operation
Japan Clean Energy Development Co., Ltd.	95	100	Wind power facilities construction and operation
Minami Kyushu Wind Power Co., Ltd.	320	99	Wind power facilities construction and operation
ITOIGAWA POWER Inc.	1,006	80	Electric power supplier
Nagasaki-Shikamachi Wind Power Co., Ltd.	490	70	Wind power facilities construction and operation
Nikaho-kogen Wind Power Co., Ltd.	100	67	Wind power facilities construction and operation
Ichihara Power Co., Ltd.	600	60	Electric power supplier
Sarakitomanai Wind Power Co., Ltd.	30	49	Wind power facilities construction and operation
Electric Power-Related Businesses			
J-POWER AUSTRALIA PTY. LTD.	548 (million AUD)	100	Investment in coal mine development projects in Australia
JPec Co., Ltd.	500	100	Construction, engineering, design, consulting, and maintenance inspections for thermal and nuclear power stations; shipping of coal for thermal power station; sales of fly ash, and marine transport of coal fuel for electricity generation; environmental protection studies and planning
JPHYTEC Co., Ltd.	500	100	Construction, engineering, design, consulting, and maintenance inspections for hydroelectric power stations and transmission & transformation facilities; real estate indemnity, land surveying, civil engineering work, general architecture, construction supervision
JP Business Service Corporation	450	100	Management of welfare facilities; building maintenance; administrative, labor, and accounting services; computer software development
J-POWER RESOURCES Co., Ltd.	450	100	Coal imports, sales, transportation
J-POWER EnTech Inc.	177	100	Engineering of equipment for removal of atmospheric and water pollutants
KEC Corporation	110	100	Installation and maintenance of applied electronic and communications equipment
J-POWER GENEX CAPITAL Co., Ltd.	100	100	Management of IPP joint venture projects
J-Wind Service Co., Ltd.	50	100	Wind power facilities maintenance and operation
JP Design Co., Ltd.	20	100	Design, supervision, research and consultant services for electric power facilities and other general facilities
Miyazaki Wood Pellet CO., LTD.	300	98	Management and maintenance of woody pellet production facilities, procurement of forest waste
JM Activated Coke, Inc.	490	90	Production and sales of activated coke
EPDC CoalTech and Marine Co., Ltd.	20	100 (100)	Marine transport of coal ash, fly ash

Company Name	Capital (millions of yen)	Equity Share (%)	Primary Areas of Business
Overseas Business			
J-Power Investment Netherlands B.V.	65 (million USD)	100	Management of overseas investments
J-POWER Consulting (China) Co., Ltd.	6 (million RMB)	100	Management of overseas investments, research and development activities
J-POWER North America Holdings Co., Ltd.	1 (USD)	100	Management of overseas investments
J-POWER Holdings (Thailand) Co., Ltd.	15,799 (million bahts)	100 (100)	Management of overseas investments
J-POWER Generation (Thailand) Co., Ltd.	39 (million bahts)	100 (100)	Management of overseas investments, research and development activities
J-POWER USA Investment Co., Ltd.	32 (USD)	100 (100)	Management of overseas investments
J-POWER USA Development Co., Ltd.	1 (USD)	100 (100)	Research and development of overseas investments
Gulf JP Co., Ltd.	12,891 (million bahts)	90 (90)	Management of overseas investments
Other Businesses			
KAIHATSU HIRYOU Co., Ltd.	450	100	Production and sales of coal ash-based fertilizer
Japan Network Engineering Co., Ltd.	50	100	Telecommunications; operation and maintenance of telecommunications facilities
Omuta Plant Service Co., Ltd.	50	100	Operation and maintenance of waste-fueled power stations
Biocoal Osaka-Hirano CO., LTD.	50	60	Construction and operation of sewage sludge to fuel conversion facilities
Greencoal Saikai Co., Ltd.	20	60	Operation of facilities to process non-industrial waste into carbonized fuel

Notes: 1. Equity share in parentheses indicates the level of indirect holdings.

2. The Company has 71 consolidated subsidiaries, including the major subsidiaries as listed above, and 81 affiliates accounted for by the equity method.

8. Major Business Locations (as of March 31, 2013)

(1) The Company's Major Offices and Power Stations

(a) Offices

Office Name		Location
Head Office		Chuo-ku, Tokyo
Regional Headquarters	Hokkaido Regional Headquarter	Sapporo-shi, Hokkaido
	East Regional Headquarter	Kawagoe-shi, Saitama Prefecture
	Chubu Regional Headquarter	Kasugai-shi, Aichi Prefecture
	West Regional Headquarter	Osaka-shi, Osaka Prefecture

(b) Power Stations

Sector	Power Station Name (Location)
Hydroelectric Power (Output greater than 100 MW)	Okutadami, Tagokura, Otori, Shimogo (all in Fukushima Prefecture), Okukiyotsu, Okukiyotsu #2 (both in Niigata Prefecture), Numappara (Tochigi Prefecture), Shintoyone (Aichi Prefecture), Sakuma (Shizuoka Prefecture), Miboro (Gifu Prefecture), Nagano (Fukui Prefecture), Tedorigawa #1 (Ishikawa Prefecture), Ikehara (Nara Prefecture), Sendaigawa #1 (Kagoshima Prefecture) (44 other power stations with output below 100 MW)
Thermal Power	Isogo (Kanagawa Prefecture), Takasago (Hyogo Prefecture), Takehara (Hiroshima Prefecture), Tachibanawan (Tokushima Prefecture), Matsuura, Matsushima (both in Nagasaki Prefecture), Ishikawa Coal Thermal (Okinawa Prefecture), Onikobe Geothermal (Miyagi Prefecture)

(2) Location of Major Subsidiaries

Company Name	Head Office Location
Bay Side Energy Co., Ltd.	Chuo-ku, Tokyo
Green Power Aso Co., Ltd.	Nishihara-mura, Aso-gun, Kumamoto Pref.
J-Wind Co., Ltd.	Chuo-ku, Tokyo
Japan Clean Energy Development Co., Ltd.	Chuo-ku, Tokyo
Minami Kyushu Wind Power Co., Ltd.	Minami Osumi-cho, Kimotsuki-gun, Kagoshima Pref.
ITOIGAWA POWER Inc.	Itoigawa-shi, Niigata Pref.
Nagasaki-Shikamachi Wind Power Co., Ltd.	Sasebo-shi, Nagasaki Pref.
Nikaho-kogen Wind Power Co., Ltd.	Nikaho-shi, Akita Pref.
Ichihara Power Co., Ltd.	Ichihara-shi, Chiba Pref.
Sarakitomanai Wind Power Co., Ltd.	Wakkanai-shi, Hokkaido
J-POWER AUSTRALIA PTY. LTD.	Australia
JPec Co., Ltd.	Chuo-ku, Tokyo
JPHYTEC Co., Ltd.	Chiyoda-ku, Tokyo
JP Business Service Corporation	Koto-ku, Tokyo
J-POWER RESOURCES Co., Ltd.	Chuo-ku, Tokyo
J-POWER EnTech Inc.	Minato-ku, Tokyo
KEC Corporation	Bunkyo-ku, Tokyo
J-POWER GENEX CAPITAL Co., Ltd.	Chuo-ku, Tokyo
J-Wind Service Co., Ltd.	Chuo-ku, Tokyo
JP Design Co., Ltd.	Chiyoda-ku, Tokyo
Miyazaki Wood Pellet CO., LTD.	Kobayashi-shi, Miyazaki Pref.
JM Activated Coke, Inc.	Kitakyushu-shi, Fukuoka Pref.
EPDC CoalTech and Marine Co., Ltd.	Chuo-ku, Tokyo
J-Power Investment Netherlands B.V.	The Netherlands
J-Power Consulting (China) Co., Ltd.	The People's Republic of China
J-POWER North America Holdings Co., Ltd.	U.S.A.
J-POWER Holdings (Thailand) Co., Ltd.	Thailand
J-POWER Generation (Thailand) Co., Ltd.	Thailand
J-POWER USA Investment Co., Ltd.	U.S.A.
J-POWER USA Development Co., Ltd.	U.S.A.
Gulf JP Co., Ltd.	Thailand
KAIHATSU HIRYOU Co., Ltd.	Takehara-shi, Hiroshima Pref.
Japan Network Engineering Co., Ltd.	Chuo-ku, Tokyo

Company Name	Head Office Location
Omuta Plant Service Co., Ltd.	Omuta-shi, Fukuoka Pref.
Biocoal Osaka-Hirano CO., LTD.	Osaka-shi, Osaka Pref.
Greencoal Saikai Co., Ltd.	Saikai-shi, Nagasaki Pref.

9. Employees (as of March 31, 2013)

(1) Employees of the J-POWER Group

Segment	Number of Employees
Electric Power Business	2,335
Electric Power-Related Businesses	3,957
Overseas Business	623
Other Businesses	241
Total	7,156

Notes: 1. The number of employees represents a number of employees at work.

2. The number of temporary employees is omitted as it is less than 10% of the total.

(2) Employees of the Company

Number of Employees	Change Since Previous FY	Average Age	Average Years of Service
2,373	+52	40.6	19.5

Notes: 1. The number of employees represents a number of employees at work, and does not include 725 employees on loan, etc.

2. The number of temporary employees is omitted as it is less than 10% of the total.

10. Major Lenders

Lender	Loan Balance at End of this Fiscal Year
Mizuho Corporate Bank, Ltd.	89,922 million yen
Sumitomo Mitsui Banking Corporation	81,750 million yen
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	52,940 million yen
The Norinchukin Bank	50,000 million yen
Nippon Life Insurance Company	49,121 million yen

II Items Regarding Shares of the Company

Shares (as of March 31, 2013)

- (1) Number of shares authorized for issue 660,000,000 shares
- (2) Number of shares issued 166,569,600 shares
(including 16,517,290 shares of treasury stock)
- (3) Number of shareholders 36,158
- (4) Major shareholders (top 10 shareholders)

Shareholder Name	Number of share held (thousands)	Shareholding ratio (%)
Nippon Life Insurance Company	9,120	6.08
Japan Trustee Services Bank, Ltd. (Account in Trust)	7,724	5.15
Mizuho Corporate Bank, Ltd.	7,465	4.98
The Master Trust Bank of Japan, Ltd. (Account in Trust)	6,353	4.23
Sumitomo Mitsui Banking Corporation	4,295	2.86
J-POWER Employees Shareholding Association	4,246	2.83
Japan Trustee Services Bank, Ltd. (Account in Trust 9)	3,385	2.26
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,331	2.22
Fukoku Mutual Life Insurance Company	2,750	1.83
Sumitomo Mitsui Trust Bank, Limited	2,247	1.50

Note: The above shareholding ratios are calculated excluding treasury stock.

III Items Regarding Directors/Audit & Supervisory Board Members of the Company

1. Directors and Audit & Supervisory Board Members (as of March 31, 2013)

Title	Name	Roles and responsibilities of the current position and other major concurrent positions
Chairman and Representative Director	Kiyoshi Sawabe	<ul style="list-style-type: none"> Company-wide compliance
President and Representative Director	Masayoshi Kitamura	
Executive Vice President and Representative Director	Shinichiro Ota	<ul style="list-style-type: none"> Assistant to the president for businesses described below: Corporate Planning & Administration Dept.; Accounting & Finance Dept.; Power Sales Dept.; Power System Operation Dept.; International Business Management Dept.; and International Business Development Dept. Nuclear power business (matters under special assignment) Department Director of International Business (delegation of administrative works)
Executive Vice President and Representative Director	Yasuo Maeda	<ul style="list-style-type: none"> Assistant to the president for businesses described below: Siting & Environment Dept.; Procurement Office; Civil & Architectural Engineering Dept.; Hydropower Dept.; Transmission System & Telecommunications Dept.; and Environment & Energy Business Dept. Thermal power engineering business, nuclear power business & international power business (matters under special assignment) Compliance and risk management (matters under special assignment) Hydroelectric power business (matters under special assignment) Regional operations (central region)
Executive Vice President and Representative Director	Yoshihiko Sakanashi	<ul style="list-style-type: none"> Assistant to the president for businesses described below: Secretarial Affairs & Public Relations Dept.; Personnel & Employee Relations Dept.; General Affairs Dept.; Business Planning Dept.; and Energy Business Dept. Thermal power business (matters under special assignment) Regional operations (central)
Executive Vice President and Representative Director	Minoru Hino	<ul style="list-style-type: none"> Assistant to the president for businesses described below: Thermal Power Dept.; Thermal Power Engineering Dept.; Nuclear Power Management Dept.; Nuclear Power Construction Dept.; Ohma General Management Dept.; and Research & Development Dept. Compliance and risk management (matters under special assignment) Department Director of Nuclear Power Business (delegation of administrative works) Regional operations (central, west & east region)

Title	Name	Roles and responsibilities of the current position and other major concurrent positions
Executive Director and Executive Managing Officer	Toshifumi Watanabe	<ul style="list-style-type: none"> • Accounting & Finance Dept. • Power Sales Dept. • Power System Operation Dept. • Nuclear power business (matters under special assignment) • Department Deputy Director of Nuclear Power Business (delegation of administrative works) • Regional operations (central region)
Executive Director and Executive Managing Officer	Seigo Mizunuma	<ul style="list-style-type: none"> • International Business Development Dept. • Research & Development Dept. • Department Deputy Director of International Business (delegation of administrative works)
Executive Director and Executive Managing Officer	Kuniharu Takemata	<ul style="list-style-type: none"> • Siting & Environment Dept. • Business Planning Dept. • Procurement Office • Regional operations (east region)
Executive Director and Executive Managing Officer	Junji Nagashima	<ul style="list-style-type: none"> • Nuclear Power Management Dept. • Nuclear Power Construction Dept. • Ohma General Management Dept. • Department Deputy Director of Nuclear Power Business (delegation of administrative works)
Executive Director and Executive Managing Officer	Hitoshi Murayama	<ul style="list-style-type: none"> • Thermal Power Dept. • Thermal Power Engineering Dept. • Research & development (matters under special assignment) • Thermal power business (matters under special assignment) • Regional operations (west region)
Non-Executive Director	Go Kajitani	<ul style="list-style-type: none"> • Attorney at Law (KAJITANI LAW OFFICES) • President of Japan Legal Support Center • Outside Audit & Supervisory Board Member of The Yokohama Rubber Company, Limited
Senior Audit & Supervisory Board Member	Kanji Shimada	(Full-time)
Senior Audit & Supervisory Board Member	Takashi Fujiwara	(Full-time)
Audit & Supervisory Board Member	Hirotsada Tanou	(Full-time)
Audit & Supervisory Board Member	Mutsutake Otsuka	<ul style="list-style-type: none"> • Advisor of East Japan Railway Company • Vice Chairman of Nippon Keidanren
Audit & Supervisory Board Member	Kiyoshi Nakanishi	<ul style="list-style-type: none"> • Adviser of GENESIS RESEARCH INSTITUTE, INC. • Adviser of Toyota Central R&D Labs., Inc. • Audit & Supervisory Board Member of TOYOTA TECHNOCRAFT Co., LTD.

- Notes: 1. Go Kajitani, who serves as an Outside Director of the Company, was appointed by the Company as an independent director/auditor specified in the regulations of the Tokyo Stock Exchange.
2. KAJITANI LAW OFFICES, Japan Legal Support Center, and The Yokohama Rubber Company, Limited have no special relationship with the Company.
3. Takashi Fujiwara, who serves as an Outside Audit & Supervisory Board Member of the Company, was appointed by the Company as independent director/auditor specified in the regulations of the Tokyo Stock Exchange.
4. Takashi Fujiwara, who serves as an Outside Audit & Supervisory Board Member of the Company, has a high level of knowledge in the area of finance and accounting as he has had experience in the management of a stock exchange.
5. Mutsutake Otsuka, who serves as an Outside Audit & Supervisory Board Member of the Company, was appointed by the Company as independent director/auditor specified in the regulations of the Tokyo Stock Exchange.

6. Transactions related to the use of public transportation exist between the Company and East Japan Railway Company but East Japan Railway Company has no special relationship with the Company.
7. Mutsutake Otsuka, who serves as an Outside Audit & Supervisory Board Member of the Company, intends to serve as an Outside Director of JX Holdings, Inc. as of June 26, 2013.
8. Kiyoshi Nakanishi, who serves as an Outside Audit & Supervisory Board Member of the Company, was appointed by the Company as independent director/auditor specified in the regulations of the Tokyo Stock Exchange.
9. GENESIS RESEARCH INSTITUTE, INC., Toyota Central R&D Labs., Inc., and TOYOTA TECHNOCRAFT Co., LTD. have no special relationship with the Company.

2. Directors' and Audit & Supervisory Board Members' Remuneration

Category	Number of Persons	Total Amount
Directors (Outside Directors)	14 (1)	427 million yen (9 million yen)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	6 (3)	109 million yen (44 million yen)
Total	20	536 million yen

- Notes: 1. The Directors' remuneration includes a performance-linked bonus of 50 million yen for this fiscal year.
2. The number of Directors and Audit & Supervisory Board Members includes two Directors and one Audit & Supervisory Board Member who have resigned at the end of 60th Ordinary General Meeting of Shareholders held on June 26, 2012.

3. Policy for the Determination of Remuneration for Directors and Audit & Supervisory Board Members

The Company has established a policy for determining the amount of remuneration for Directors and Audit & Supervisory Board Members as follows:

By resolution at the 54th Ordinary General Meeting of Shareholders held on June 28, 2006, the Directors' remuneration was capped at 625 million yen annually (a fixed monthly salary calculated according to position and a performance-linked bonus paid once a year. Employee salaries for Directors who serve in dual capacity as employees are excluded).

By resolution at the 54th Ordinary General Meeting of Shareholders held on June 28, 2006, the Audit & Supervisory Board Members' remuneration was capped at 120 million yen annually (a fixed monthly salary calculated according to position).

Specific amounts are determined within these limits by the Board of Directors in the case of Directors' remuneration and by consultation among Audit & Supervisory Board Members in the case of Audit & Supervisory Board Members' remuneration.

4. Items Regarding Outside Directors/Audit & Supervisory Board Members

(1) Major Concurrent Positions of Outside Officers and Their Relationships with the Company

Details of major concurrent positions of Outside Directors/Audit & Supervisory Board Members and their relationships with the Company are described on pages 24 to 25.

(2) Key Activities in this Fiscal Year

Name (Title)	Key Activities
Go Kajitani (Non-Executive Director)	Has attended 10 of the 12 Board of Directors meetings and made comments primarily based on his distinguished knowledge and a wide range of experience as an attorney.
Takashi Fujiwara (Senior Audit & Supervisory Board Member)	Has attended 12 of the 12 Board of Directors meetings and 12 of the 12 Audit & Supervisory Board meetings and made comments primarily based on his distinguished knowledge and a wide range of experience in the management of a stock exchange.
Mutsutake Otsuka (Audit & Supervisory Board Member)	Has attended 12 of the 12 Board of Directors meetings and 12 of the 12 Audit & Supervisory Board meetings and made comments primarily based on his distinguished knowledge and a wide range of experience in the management of a listed company.
Kiyoshi Nakanishi (Audit & Supervisory Board Member)	Has attended 11 of the 12 Board of Directors meetings and 11 of the 12 Audit & Supervisory Board meetings and made comments primarily based on his distinguished knowledge and a wide range of experience in the management of a listed company.

(3) Overview of Limitation of Liability Contracts

In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with its Outside Directors and Outside Audit & Supervisory Board Members that limit their liability for damages arising from failure to perform duties. The limit of their liability under these contracts is the amount prescribed by the applicable laws and regulations.

IV Status of Accounting Auditors

1. Name of Accounting Auditors

Ernst & Young ShinNihon LLC

2. Amount of Accounting Auditor Remuneration in this Fiscal Year

Segment	Amount Paid
Amount of compensation paid in this fiscal year	82 million yen
Total amount owed to Accounting Auditor by the Company and its subsidiaries in the form of cash or other financial benefit	146 million yen

Notes: 1. According to the Auditing Agreement between the Company and its Accounting Auditor, no separation is made in auditor remuneration between auditing under the Companies Act and auditing under the Financial Instruments and Exchange Act, and since the two cannot, in fact, be distinguished, the amount noted above represents total compensation for services under both categories in the current fiscal year.
2. Of the Company's key subsidiaries, 6 companies, including J-POWER AUSTRALIA PTY. LTD. use the accounting audit services of other audit firms.

3. Non-audit Services

The Company has entrusted its Accounting Auditor to provide certain services, such as an advisory service for financial affairs, other than those defined in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan (non-audit services).

4. Policy Regarding Discharge or Non-reelection of Accounting Auditors

In addition to the discharge of Accounting Auditors by the Audit & Supervisory Board, as provided for in Article 340 of the Companies Act, the Company, at the behest of or with the consent of its Audit & Supervisory Board, may put forth a proposal at its General Meeting of Shareholders calling for the discharge or non-reelection of its Accounting Auditors if they are deemed unable to adequately perform their duties, or for other justifiable reason.

V Corporate Structure and Policies

1. Systems for Ensuring Appropriate Business Operations

Basis policy regarding the systems for ensuring appropriate execution of business operations (i.e. internal control systems) resolved by the Board of Directors is as follows:

(1) Systems for Ensuring Proper Execution of Business Operations by Directors and Employees in Compliance with Laws and Regulations, and the Articles of Incorporation

In accordance with the “J-POWER Codes of Conduct for Corporate Activities” based on the “J-POWER Corporate Philosophy,” the Directors shall strive under their own initiative to set an example of honest and fair conduct in a spirit of resolute compliance with the law and an ethical outlook, and to thoroughly instill the same in their employees. Furthermore, the Directors shall, and will thoroughly instruct its employees to, resolutely and in a definitive attitude, confront anti-social forces that threaten the order and safety of the civil society.

In order to further enhance the effectiveness of the supervisory function over the Board of Directors, we have established the position of Chairman who principally supervises as a Director, as well as the position of Outside Director who principally participates in the decision making for the management of the Company as a non-executive director.

In order to ensure appropriate execution of business operations, the Internal Audit Department shall, being functionally separated from other departments of the Company, independently conduct internal audit activities, and each department also conducts self-audit of the respective business operations.

In order to promote compliance in the activities of each employee, including managers, the “Compliance Code” has been formulated as a more specific criterion for assessing business activities. The Chairman shall be responsible for the company-wide compliance promotion system. The system for promoting compliance, as an organization that strives to discuss policies for promoting compliance, evaluate situations for carrying them out, and respond to issues of non-compliance throughout the Company, in addition to setting up Executive Vice President or Executive Managing Officer in charge of compliance who shall assist the Chairman and President and execute business operations promoting compliance, has set up the “Company-wide Compliance Action Committee” chaired by the Chairman, which is supported by two subcommittees on company-wide compliance promotion activities and on voluntary safety and security promotion activities based on safety regulations for the purpose of promptly and appropriately carrying out business operations concerning the promotion of compliance. A “Compliance Consultation Desk” has also been established in the Internal Audit Department along with an external law office to serve as a direct point of contact for employees to seek advice on compliance issues. In addition to these aspects of our compliance promotion system, an “Oath of Compliance” has been circulated to all Directors, Executive Officers, and employees in an effort to raise awareness of compliance issues in a handy, easy-to-read format.

In order to improve transparency and accountability of corporate activities, the “Disclosure Committee” chaired by the President has been set up to implement the timely disclosure of corporate information in a proactive, fair, and transparent manner.

In order to ensure the reliability of financial reports, we shall strive, in accordance with both internal and external laws and regulations, to maintain and implement internal control concerning financial reports for the entire J-POWER Group and to evaluate its effectiveness.

(2) Systems for Maintaining and Managing Information Concerning the Directors' Execution of Business Operations

Representative Directors and Executive Officers shall regularly, and whenever required, report on situations involving the execution of business operations either to meetings of the Board of Directors or the Executive Committee, record the meeting minutes thereof in accordance with both internal and external laws and regulations, and maintain and manage them appropriately. Documentation concerning the execution of other business operations shall also be appropriately drafted, maintained, and managed in accordance with internal regulations.

(3) Regulations and Other Systems of Risk Management

Regarding risks involved in the execution of corporate activities, we shall make thoroughgoing efforts through a mutually supervised decision-making process, discussions at all meeting bodies, and the maintenance of routine, internal regulation-based risk management systems, to raise awareness of risks and set up policies to avoid them, and also strive to minimize the impact of losses when risks occur.

(4) Systems for Ensuring that Directors Efficiently Execute Business Operations

The Board of Directors' meetings, in principle, shall be held once a month or when required with the attendance of all Directors and Audit & Supervisory Board Members including Outside Directors and Outside Audit & Supervisory Board Members. The Executive Committee attended by all Directors (excluding Outside Directors), Executive Managing Officers, and full-time Audit & Supervisory Board Members shall also be held, in principle, once a week to discuss essential Company-wide matters relevant to the President and Executive Vice President's execution of business operations on the basis of matters raised in Board of Directors meetings and policies decided by the Board of Directors. Furthermore, meetings of Management Executing Committee composed of all Representative Directors, affiliated Executive Officers, and full-time Audit & Supervisory Board Members shall, in principle, be held twice a month to discuss essential matters concerning the execution of business operations on a case-by-case basis. In addition to the allocation of functions through Board of Directors, Executive Committee and Management Executing Committee, a system of Executive Officers shall be implemented to clarify responsibilities and jurisdiction, make appropriate and prompt decisions, and conduct Company operations effectively through the creation of a system that divides responsibilities for the execution of business operations among Representative Directors and Executive Officers.

(5) Systems for Ensuring Appropriate Execution of Business Operations by the J-POWER Group Comprising the Company and its Subsidiaries

Management of affiliated companies shall strive, in its basic policy, for the comprehensive expansion of the J-POWER Group as a whole in accordance with the J-POWER Group's business plan, and also strive, in addition to the management of affiliated companies in accordance with internal regulations, to realize appropriate business operations by the J-POWER Group through the Group Management Committee. Audit & Supervisory Board Members and the Internal Audit Department shall audit affiliated companies to ensure the propriety of business operations by the J-POWER Group.

(6) Matters Concerning Employees when Audit & Supervisory Board Members Request the Placement of Said Employees to Assist Business Operations; Matters Concerning the Independence of Said Employees from the Directors

As for the Audit & Supervisory Board Member personnel system, the Audit & Supervisory Board Members' Office shall be set up independent of the chain of command of the Directors, and an exclusive staff shall be set up to assist audits conducted by the Audit & Supervisory Board Members. Matters concerning the personnel of the Audit & Supervisory Board Members' Office shall furthermore be discussed with the full-time Audit & Supervisory Board Members.

(7) Systems Whereby Directors and Employees Report to Audit & Supervisory Board Members and Other Systems Involving Reports Made to Audit & Supervisory Board Members

The following shall be reported to the Audit & Supervisory Board Members:

- (a) Matters with the potential to inflict significant losses on the Company
- (b) Results of audits conducted by the Internal Auditing Department
- (c) Other matters required for the Audit & Supervisory Board Members to conduct their professional duties

(8) Other Systems for Ensuring Efficient Audits by Audit & Supervisory Board Members

The Directors shall set up an environment that enables the Audit & Supervisory Board Members to attend and provide advice at meetings of the Board of Directors, Executive Committee, Management Executing Committee and other such business meetings, as well as to hear about the status concerning the execution of business operations by Directors, Executive Officers and others, and smoothly investigate all Company institutions and their major subsidiaries. The Directors shall furthermore set up an environment that enables the Audit & Supervisory Board Members to maintain mutual cooperation with the Internal Audit Department and the Accounting Auditor through formulation of audit plans and reporting of their results.

2. Basic Policy Regarding Control of the Company

In the more than half-century since the Company was founded in 1952 to help augment the domestic supply of electricity, it has continued to deliver low-cost, stable power, and to build and operate a nationwide infrastructure of primary transmission lines, contributing to the growth of our nation's economy and improvement in the standard of living of its citizens.

During this time, the Company has continued to hold as its corporate philosophy the mission to meet the peoples' need for energy with an uninterrupted supply, and to contribute to the sustainable growth of Japan and the world, while making the coexistence of energy and the environment the keynote of our business, working to build an attractive business with stable growth, and continuing our never-ending efforts to enhance corporate value.

Our business is primarily characterized by investment in power stations and other public infrastructure, and in recovering that investment through the long-term operation of those facilities. We believe that over the course of these long-term operations, it is through cooperation with our many stakeholders, and our ability to deliver stable growth, that we are able to maximize the corporate value of the Company.

While we hope that our shareholders will understand the unique characteristics of our business, we also believe that our shareholders should naturally be free to exercise their own will in buying or selling Company stock.

Nevertheless, when it comes to large-scale acquisition of Company shares with the intent to acquire management control, the Directors of the Company, who serve at your mandate, also believe that a response needs to be based on careful consideration, in light of corporate value, of the benefits to our shareholders collectively.

As a result, in cases where the shareholders and Directors have not been provided with sufficient time or information to properly consider such a move, or when, upon consideration, it is determined that such an attempt may inflict serious damage to the collective interests of our shareholders, and consequently to our corporate value, the Company's policy shall be to take such measures as are appropriate and permitted under the Companies Act and other relevant laws and regulations.

CONSOLIDATED BALANCE SHEETS (as of March 31, 2013)

(millions of yen)

Assets	
Property, plant and equipment	1,975,202
Power plants	1,058,849
Hydroelectric power generation facilities	363,437
Thermal power generation facilities	387,957
Internal combustion power generation facilities	3,956
Power generation facilities for new energies	31,358
Transmission facilities	185,754
Transformation facilities	30,608
Communication facilities	8,638
General facilities	47,137
Other property, plant & equipment	118,840
Construction in progress	464,674
Construction and retirement in progress	464,674
Nuclear fuel	59,769
Nuclear fuel in processing	59,769
Investments and other assets	273,067
Long-term investments	202,464
Deferred tax assets	47,234
Other investments	24,416
Allowance for doubtful accounts	(1,047)
Current assets	194,707
Cash and bank deposits	49,283
Notes and accounts receivable	61,644
Short-term investments	402
Inventories	38,160
Deferred tax assets	7,423
Other current assets	37,847
Allowance for doubtful accounts	(54)
Total assets	2,169,909

CONSOLIDATED BALANCE SHEETS (as of March 31, 2013) *(Continued)*

(millions of yen)

Liabilities	
Long-term liabilities	1,402,287
Bonds	694,930
Long-term loans	608,977
Lease obligations	982
Accrued employee retirement benefits	59,012
Other allowances	36
Asset retirement obligations	3,971
Deferred tax liabilities	7,801
Other long-term liabilities	26,574
Current liabilities	313,311
Current portion of long-term debt	196,999
Short-term loans	18,475
Commercial paper	3,999
Notes and accounts payable	25,049
Income and other taxes payable	10,811
Other allowances	273
Asset retirement obligations	1,495
Deferred tax liabilities	3
Other current liabilities	56,202
Reserves under special laws	425
Reserve for fluctuation in water levels	425
Total liabilities	1,716,024
Net Assets	
Shareholders' equity	460,673
Common stock	152,449
Capital surplus	81,849
Retained earnings	289,639
Treasury stock	(63,265)
Accumulated other comprehensive income	(6,768)
Unrealized gain or loss on other securities	4,855
Deferred gains or losses on hedges	(6,929)
Foreign currency translation adjustment	(4,693)
Minority interests	(19)
Total net assets	453,885
Total liabilities and net assets	2,169,909

CONSOLIDATED STATEMENTS OF INCOME (from April 1, 2012 to March 31, 2013)

(millions of yen)

Ordinary revenues	
Operating revenues	656,056
Electric power	605,338
Other	50,717
Non-operating revenues	17,577
Dividend income	1,321
Interest income	1,195
Equity income of affiliates	11,728
Other	3,331
Total ordinary revenues	673,634
Ordinary expenses	
Operating expenses	601,490
Electric power	542,195
Other	59,295
[Operating income	54,566]
Non-operating expenses	27,318
Interest expenses	22,362
Other	4,956
Total ordinary expenses	628,808
Ordinary income	44,825
Provision or reversal of reserve for fluctuation in water levels	(351)
Reversal of reserve for fluctuation in water levels	(351)
Income before income taxes and minority interests	45,176
Income taxes - current	11,940
Income taxes - deferred	3,622
Income before minority interests	29,613
Minority interests in income	(194)
Net income	29,808

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(from April 1, 2012 to March 31, 2013)

(millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current fiscal year	152,449	81,849	270,334	(63,264)	441,369
Changes during the fiscal year					
Dividends on retained earnings	—	—	(10,503)	—	(10,503)
Net income	—	—	29,808	—	29,808
Acquisition of treasury stock	—	—	—	(1)	(1)
Changes in items other than shareholders' equity (net)	—	—	—	—	—
Total	—	—	19,304	(1)	19,303
Balance at the end of current fiscal year	152,449	81,849	289,639	(63,265)	460,673

(millions of yen)

	Accumulated other comprehensive income				Minority interests	Total net assets
	Unrealized gain or loss on other securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current fiscal year	(772)	(4,209)	(29,003)	(33,985)	(1,191)	406,192
Changes during the fiscal year						
Dividends on retained earnings	—	—	—	—	—	(10,503)
Net income	—	—	—	—	—	29,808
Acquisition of treasury stock	—	—	—	—	—	(1)
Changes in items other than shareholders' equity (net)	5,627	(2,720)	24,310	27,217	1,171	28,388
Total	5,627	(2,720)	24,310	27,217	1,171	47,692
Balance at the end of current fiscal year	4,855	(6,929)	(4,693)	(6,768)	(19)	453,885

(Reference)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(from April 1, 2012 to March 31, 2013)

(millions of yen)

Income before minority interests	29,613
Other comprehensive income	
Unrealized gain or loss on other securities	5,607
Deferred gains or losses on hedges	(2,997)
Foreign currency translation adjustment	14,835
Share of other comprehensive income of associates accounted for using equity method	9,873
Total other comprehensive income	27,319
Comprehensive income	56,932

(Comprehensive income attributable to)

Comprehensive income attributable to owners of the parent	57,025
Comprehensive income attributable to minority interests	(92)

NON-CONSOLIDATED BALANCE SHEETS (as of March 31, 2013)

(millions of yen)

Assets	
Property, plant and equipment	1,749,201
Power plants	1,045,889
Hydroelectric power generation facilities	372,980
Thermal power generation facilities	394,071
Power generation facilities for new energies	1,533
Transmission facilities	188,695
Transformation facilities	31,762
Communication facilities	9,308
General facilities	47,537
Incidental business-related property, plant & equipment	1,980
Non-operating property, plant & equipment	798
Construction in progress	331,810
Construction in progress	331,120
Retirement in progress	690
Nuclear fuel	59,769
Nuclear fuel in processing	59,769
Investments and other assets	308,954
Long-term investments	67,029
Long-term investments in affiliated companies	212,363
Long-term prepaid expenses	3,760
Deferred tax assets	31,004
Allowance for doubtful accounts	(5,204)
Current assets	121,090
Cash and bank deposits	4,440
Accounts receivable	48,758
Accrued income	3,618
Inventories	33,083
Prepaid expenses	2,405
Short-term loans to affiliated companies	7,808
Deferred tax assets	4,917
Other current assets	16,166
Allowance for doubtful accounts	(108)
Total assets	1,870,291

NON-CONSOLIDATED BALANCE SHEETS (as of March 31, 2013) *(Continued)*

(millions of yen)

Liabilities	
Long-term liabilities	1,206,654
Bond	694,930
Long-term loans	438,228
Lease obligations	374
Long-term accrued liabilities in affiliated companies	4,999
Accrued employee retirement benefits	47,155
Asset retirement obligations	189
Other long-term liabilities	20,777
Current liabilities	304,261
Current portion of long-term debt	192,821
Short-term loans	18,350
Commercial paper	3,999
Accounts payable	2,375
Accrued accounts	2,843
Accrued expenses	10,276
Income and other taxes payable	7,201
Deposits received	474
Short-term debt to affiliated companies	59,093
Advances received	741
Other current liabilities	6,081
Reserves	425
Reserve for fluctuation in water levels	425
Total liabilities	1,511,341

NON-CONSOLIDATED BALANCE SHEETS (as of March 31, 2013) *(Continued)*

(millions of yen)

Net Assets	
Shareholders' equity	354,914
Common stock	152,449
Capital surplus	81,852
Additional paid-in capital	81,852
Retained earnings	183,878
Legal reserve	6,029
Other retained earnings	177,848
Reserve for special disaster	77
Exchange-fluctuation preparation reserve	1,960
General reserve	147,861
Retained earnings carried forward	27,950
Treasury stock	(63,265)
Valuation and translation adjustments	4,035
Unrealized gain or loss on other securities	4,281
Deferred gains or losses on hedges	(245)
Total net assets	358,950
Total liabilities and net assets	1,870,291

NON-CONSOLIDATED STATEMENTS OF INCOME (from April 1, 2012 to March 31, 2013)

(millions of yen)

Ordinary revenues	
Operating revenues	586,993
Electric power	577,284
Electric power sales to other companies	520,620
Transmission revenues	52,632
Other electricity revenues	4,031
Incidental business revenues	9,708
Consulting business	2,306
Coal sales business	6,321
Other incidental business	1,081
Non-operating revenues	8,304
Financial revenues	6,063
Dividend income	4,395
Interest income	1,668
Non-business revenues	2,241
Gain on sale of fixed assets	109
Other	2,131
Total ordinary revenues	595,298
Ordinary expenses	
Operating expenses	543,659
Electric power	534,765
Hydroelectric power generation expenses	60,762
Thermal power generation expenses	377,701
Power production facilities for new energies	2,036
Power purchased from other companies	256
Transmission expenses	26,586
Transformation expenses	6,623
Selling expenses	2,570
Communication expenses	5,815
General and administrative expenses	45,040
Enterprise tax	7,371

NON-CONSOLIDATED STATEMENTS OF INCOME(from April 1, 2012 to March 31, 2013) (Continued)

	(millions of yen)
Incidental business expenses	8,894
Consulting business	1,771
Coal sales business	6,337
Other incidental business	785
 [Operating income	43,333]
Non-operating expenses	22,799
Financial expenses	20,707
Interest expenses	20,585
Bond issuance cost	122
Non-business expenses	2,091
Loss on sales of noncurrent assets	630
Other	1,461
Total ordinary expenses	566,459
Ordinary income	28,839
Provision or reversal of reserve for fluctuation in water levels	(351)
Reversal of reserve for fluctuation in water levels	(351)
Income before income taxes	29,190
Income taxes	10,595
Income taxes - current	7,999
Income taxes - deferred	2,596
Net income	18,594

NON-CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(from April 1, 2012 to March 31, 2013)

(millions of yen)

	Common stock	Shareholders' equity							
		Capital surplus		Retained earnings					
		Additional paid-in capital	Total capital surplus	Legal reserve	Other retained earnings				Total retained earnings
					Reserve for special disaster	Exchange-fluctuation preparation reserve	General reserve	Retained earnings carried forward	
Balance at the beginning of current fiscal year	152,449	81,852	81,852	6,029	70	1,960	147,861	19,866	175,787
Changes during the fiscal year									
Dividends on retained earnings	—	—	—	—	—	—	—	(10,503)	(10,503)
Net income	—	—	—	—	—	—	—	18,594	18,594
Acquisition of treasury stock	—	—	—	—	—	—	—	—	—
Provision of reserve	—	—	—	—	7	—	—	(7)	—
Changes in items other than shareholders' equity (net)	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	7	—	—	8,083	8,090
Balance at the end of current fiscal year	152,449	81,852	81,852	6,029	77	1,960	147,861	27,950	183,878

(millions of yen)

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gain or loss on other securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current fiscal year	(63,264)	346,824	(1,158)	373	(785)	346,039
Changes during the fiscal year						
Dividends on retained earnings	—	(10,503)	—	—	—	(10,503)
Net income	—	18,594	—	—	—	18,594
Acquisition of treasury stock	(1)	(1)	—	—	—	(1)
Provision of reserve	—	—	—	—	—	—
Changes in items other than shareholders' equity (net)	—	—	5,440	(618)	4,821	4,821
Total	(1)	8,089	5,440	(618)	4,821	12,911
Balance at the end of current fiscal year	(63,265)	354,914	4,281	(245)	4,035	358,950

THE AUDIT REPORT OF INDEPENDENT AUDITORS
CONCERNING THE CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Auditors

May 10, 2013

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

Ernst & Young ShinNihon LLC
Akira Chiba
Certified Public Accountant
Designated and Engagement Partner
Kenji Deguchi
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Corporation Law, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Electric Power Development Co., Ltd. (the “Company”) applicable to the 61st fiscal year from April 1, 2012 through March 31, 2013.

Management’s Responsibility for the Consolidated Financial Statements

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

Auditors’ Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the J-POWER Group, which consisted of the Company and consolidated subsidiaries, applicable to the 61st fiscal year ended March 31, 2013 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

THE AUDIT REPORT OF INDEPENDENT AUDITORS
CONCERNING THE NON-CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Auditors

May 10, 2013

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

Ernst & Young ShinNihon LLC
Akira Chiba
Certified Public Accountant
Designated and Engagement Partner
Kenji Deguchi
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Corporation Law, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Electric Power Development Co., Ltd. (the "Company") applicable to the 61st fiscal year from April 1, 2012 through March 31, 2013.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Electric Power Development Co., Ltd. applicable to the 61st fiscal year ended March 31, 2013 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

REPORT OF THE AUDIT & SUPERVISORY BOARD

Audit Report

The Audit & Supervisory Board hereby reports as follows regarding the performance of duties by the Directors of the Electric Power Development Co., Ltd. (the “Company”) during its 61st fiscal year, from April 1, 2012 to March 31, 2013, based on reports prepared by each Audit & Supervisory Board Member and subsequent deliberations of the Audit & Supervisory Board.

1. Method of the audits by the individual Audit & Supervisory Board Members and the Audit & Supervisory Board; content of audits

In addition to receiving reports on the progress in and results of audits by the individual Audit & Supervisory Board Members, based on the Audit & Supervisory Board’s policies and audit plans, the Audit & Supervisory Board also received reports on business performance from the Directors and the Accounting Auditors, and requested explanations from them as necessary.

In accordance with the auditing standards, policies, and plans set forth by the Audit & Supervisory Board, each of the Audit & Supervisory Board Members worked to communicate with the Directors, the Internal Audit Department, and other employees in collecting information and establishing an appropriate audit environment. Audit & Supervisory Board Members also participated in meetings of the Board of Directors and other key meetings, received reports from the Directors and other employees regarding the performance of their duties, and when necessary, requested explanations of those reports. Audit & Supervisory Board Members also reviewed key decision documents, and conducted surveys of the operations and assets of both the head office and other local offices.

Further, Audit & Supervisory Board Members were responsible for monitoring and verifying the status of various corporate structures, including those necessary to ensure compliance by Directors with laws and regulations, and the Articles of Incorporation, and those needed for ensuring the fair performance of the Company’s operations as a stock corporation as described in the Business Report, namely decisions by the Board of Directors regarding the establishment of systems as set forth in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act (the internal control system).

Additional consideration was given to the policies set forth in Article 118, Item 3 (1) of the Ordinance for Enforcement of the Companies Act, as noted in the Business Reports, based on the status of deliberations at the meeting of Board of Directors and other key meetings.

Regarding subsidiaries, Audit & Supervisory Board Members worked to communicate with Directors, Audit & Supervisory Board Members, and other parties at those subsidiaries, and when necessary conduct hearings with them regarding the status of their performance of duties, including surveys of operations and assets of those subsidiaries.

Based on the above methods, Audit & Supervisory Board Members examined the Business Report and supplemental statements regarding the fiscal year under review.

Further, while also monitoring and reviewing the audit of the Accounting Auditor to ensure they maintained an independent position and conducted their audits fairly, Audit & Supervisory Board Members received reports from them regarding the performance of their duties, and when necessary, asked for further explanation regarding those reports.

Audit & Supervisory Board Members also received notice from the Accounting Auditor in accordance with “the system for ensuring appropriate execution of their duties” (as enumerated in each Item of Article 131 of the Company Accounting Regulation Ordinance) in compliance with the “Quality Control Standards Relating to Auditing” (adopted by the Business Accounting Deliberations Council in October 28, 2005), and, where necessary, Audit & Supervisory Board Members requested further explanation regarding that notice.

Based on the above methods, Audit & Supervisory Board Members proceeded to review the non-consolidated financial statements (consist of the non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statement of changes in shareholders’ equity, and notes on significant accounting policies used in preparation of the non-consolidated financial statements) with supplemental statements, and the consolidated financial statements (consist of the consolidated balance sheets, the consolidated statements of income, the consolidated statement of changes in shareholders’ equity, and notes on significant accounting policies used in preparation of the consolidated financial statements) for the fiscal year under review.

2. Audit Results

(1) Results of Audit of Business Reports, etc.

- (i) The Audit & Supervisory Board confirms that the Business Reports and supplemental statements conformed to the applicable laws and regulations, and the Articles of Incorporation, and that they accurately present the situation of the Company.
- (ii) With respect to the performance of the Directors, the Audit & Supervisory Board found no improper acts or important violation of applicable laws and regulations or the Articles of Incorporation.
- (iii) The Audit & Supervisory Board confirms that decisions by the Board of Directors regarding the Company's internal control systems to be fair and adequate, and found no areas that require mention regarding the description of the internal control systems in the Business Report and the performance of duties by Directors.
- (iv) The Audit & Supervisory Board found no items that need to be pointed out regarding the Basic Policy Regarding Control of the Company, noted in the Business Report.

(2) Results of Audit of Non-consolidated Financial Statements and Supplemental Statements

The Audit & Supervisory Board confirms that the methods used and results achieved by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be fair and adequate.

(3) Results of Audit of Consolidated Financial Statements

The Audit & Supervisory Board confirms that the methods used and results achieved by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be fair and adequate.

May 15, 2013

Audit & Supervisory Board
Electric Power Development Co., Ltd.

Kanji Shimada (seal)
Senior Audit & Supervisory Board Member
(Full-time)

Takashi Fujiwara (seal)
Senior Audit & Supervisory Board Member
(Full-time)

Hirotsada Tanou (seal)
Audit & Supervisory Board Member (Full-time)

Mutsutake Otsuka (seal)
Audit & Supervisory Board Member

Kiyoshi Nakanishi (seal)
Audit & Supervisory Board Member

Note: Senior Audit & Supervisory Board Member Takashi Fujiwara, Audit & Supervisory Board Members Mutsutake Otsuka and Kiyoshi Nakanishi are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.