

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.



June 1, 2018

Dear Shareholder:

Toshifumi Watanabe
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 66th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 66th 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 Tuesday, June 26, 2018, Japan time.

Notice

1. Date & Time: 10:00 a.m., Wednesday, June 27, 2018 (Reception desk will open at 9:00 a.m.)

2. Place: Ho-Oh-No-Ma, 2F, Tokyo Prince Hotel
3-1, Shiba-koen 3-chome, Minato-ku, Tokyo

3. Agenda:

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 66th fiscal year (from April 1, 2017 to March 31, 2018), 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 66th fiscal year (from April 1, 2017 to March 31, 2018)

Matters to be resolved:

Proposal 1. Appropriation of Surplus

Proposal 2. Election of Thirteen (13) 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 (a proxy statement, etc.) 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, or 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.jppower.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 plants and other infrastructure based on the Company's long-standing operational capability, which includes the construction of power plants and the like.

Taking into account factors such as the level of profit, earnings forecasts, and financial condition, the Company strives to enhance stable and continuous returns to shareholders in line with a consolidated pay-out ratio of around 30% excluding short-term profit fluctuation factors.

For the fiscal year under review, with this newly established shareholder return policy the Company intends to increase the year-end dividend to 40 yen per share, up 5 yen. The Company also proposes other items relating to the appropriation of surplus as follows. As the Company has already paid an interim dividend of 35 yen per share in November last year, the Company proposes an annual dividend of 75 yen per share for the 66th fiscal year.

1. Items relating to the year-end dividend:

Type of dividend assets	Cash
Distribution of dividends	40 yen per share of common stock of the Company Total amount: 7,321,973,960 yen
Effective date of the distribution	Thursday, June 28, 2018

2. Other items relating to the appropriation of surplus:

Increased surplus	General reserve: 40,000,000,000 yen
Decreased surplus	Retained earnings carried forward: 40,000,000,000 yen



Proposal 2: Election of Thirteen (13) Directors



The term of office for all fourteen (14) Directors expires as of the end of this meeting.



Accordingly, the Company proposes the election of thirteen (13) Directors.



The details for the candidates for Directors are given on pages 5 through 12.


Candidate Number	Name	Current Positions at the Company
1	<input type="checkbox"/> Reappointment Masayoshi Kitamura	Chairman and Representative Director
2	<input type="checkbox"/> Reappointment Toshifumi Watanabe	President and Representative Director
3	<input type="checkbox"/> Reappointment Hitoshi Murayama	Executive Vice President and Representative Director
4	<input type="checkbox"/> Reappointment Masato Uchiyama	Executive Vice President and Representative Director
5	<input type="checkbox"/> Reappointment Akihito Urashima	Executive Vice President and Representative Director
6	<input type="checkbox"/> Reappointment Yoshiki Onoi	Director and Executive Managing Officer
7	<input type="checkbox"/> Reappointment Hiromi Minaminosono	Director and Executive Managing Officer
8	<input type="checkbox"/> Reappointment Hiroyasu Sugiyama	Director and Executive Managing Officer
9	<input type="checkbox"/> Reappointment Hideki Tsukuda	Director and Executive Managing Officer
10	<input type="checkbox"/> Reappointment Makoto Honda	Director and Executive Managing Officer
11	<input type="checkbox"/> Reappointment <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director Go Kajitani	Outside Director
12	<input type="checkbox"/> Reappointment <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director Tomonori Ito	Outside Director
13	<input type="checkbox"/> Reappointment <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director John Buchanan	Outside Director

Candidate Number	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
1 Reappointment	 Masayoshi Kitamura (May 11, 1947)	April 1972 Joined the Company June 2000 Department Director of Corporate Planning & Administration Dept. June 2001 Director, Department Director of Corporate Planning & Administration Dept. April 2002 Director June 2004 Executive Managing Director June 2007 Executive Vice President and Representative Director June 2009 President and Representative Director June 2016 Chairman and Representative Director (current position)	36,340 shares
Reasons for Nomination as Candidate for Director Mr. Masayoshi Kitamura has acquired abundant business experience through his assignments in personnel & employee relations, siting, business development, planning and other departments since joining the Company, and is well-versed in overall business operations of the Company. In addition, since June 2001 when he was appointed as Director, he has continued not only fulfilling duties that fall under his responsibility as Director but addressing various management issues, and he also has distinguished knowledge and highly specialized expertise in the overall electric power business. The Company has therefore nominated him as a candidate to continue serving as Director.			
2 Reappointment	 Toshifumi Watanabe (March 10, 1955)	April 1977 Joined the Company April 2002 Department Director of Corporate Planning & Administration Dept. and Office Director of Privatization Office, Corporate Planning & Administration Dept. October 2002 Department Director of Corporate Planning & Administration Dept. and Office Director of Privatization Office, Corporate Planning & Administration Dept. (Japanese name changed; English name unchanged) June 2004 Department Director of Corporate Planning & Administration Dept. June 2006 Director June 2009 Executive Managing Director June 2012 Director and Executive Managing Officer June 2013 Executive Vice President and Representative Director June 2016 President and Representative Director (current position)	18,100 shares
Reasons for Nomination as Candidate for Director Mr. Toshifumi Watanabe has acquired abundant business experience through his assignments in sales, nuclear power, planning and other departments since joining the Company, and is well-versed in overall business operations of the Company. In addition, since June 2006 when he was appointed as Director, he has continued not only fulfilling duties that fall under his responsibility as Director but addressing various management issues, and he also has distinguished knowledge and highly specialized expertise in the overall electric power business. The Company has therefore nominated him as a candidate to continue serving as Director.			

Candidate Number	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
3 Reappointment	 Hitoshi Murayama (February 2, 1954)	April 1980 Joined the Company June 2008 Department Director of Thermal Power Dept. June 2009 Executive Officer, Department Director of Thermal Power Dept. June 2010 Executive Officer, Department Director of Thermal Power Engineering Dept. December 2011 Executive Officer, Department Director of Thermal Power Engineering Dept. (Japanese name changed; English name unchanged) June 2012 Director and Executive Managing Officer June 2015 Executive Vice President and Representative Director (current position)	16,700 shares
Reasons for Nomination as Candidate for Director Mr. Hitoshi Murayama is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of thermal power maintenance and thermal power engineering since joining the Company and also through his service as officer of a group company and since June 2009 as Executive Officer of the Company. As concurrently serving as Director since June 2012, he has also continued not only fulfilling duties that fall under his responsibility as Director but addressing various management issues, and has distinguished knowledge and highly specialized expertise in the overall electric power business. The Company has therefore nominated him as a candidate to continue serving as Director.			
4 Reappointment	 Masato Uchiyama (July 23, 1955)	April 1978 Joined the Company March 2005 Department Director of Energy Business Dept. July 2008 Special Advisor and Department Director of Energy Business Dept. June 2009 Executive Officer, Department Director of Energy Business Dept. December 2011 Executive Managing Officer June 2013 Director and Executive Managing Officer June 2015 Executive Vice President and Director June 2016 Executive Vice President and Representative Director (current position)	16,200 shares
Reasons for Nomination as Candidate for Director Mr. Masato Uchiyama is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of general affairs, public relations, personnel & employee relations, planning and sales since joining the Company and also through his service as Executive Officer since June 2009. As concurrently serving as Director since June 2013, he has also continued not only fulfilling duties that fall under his responsibility as Director but addressing various management issues, and has distinguished knowledge and highly specialized expertise in the overall electric power business. The Company has therefore nominated him as a candidate to continue serving as Director.			


Candidate Number	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
5 Reappointment	 Akihito Urashima (July 18, 1955)	April 1980 Joined the Company December 2009 Office Director of Ohma Nuclear Power Station Construction Office, Ohma General Management Dept. June 2010 Executive Officer, Office Director of Ohma Nuclear Power Station Construction Office, Ohma General Management Dept. June 2014 Executive Managing Officer June 2015 Director and Executive Managing Officer June 2017 Executive Vice President and Representative Director (current position)	12,700 shares
Reasons for Nomination as Candidate for Director Mr. Akihito Urashima is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of thermal power engineering, thermal power maintenance, planning and nuclear power since joining the Company and also through his service as Executive Officer since June 2010. As concurrently serving as Director since June 2015, he has also continued not only fulfilling duties that fall under his responsibility as Director but addressing various management issues, and has distinguished knowledge and highly specialized expertise in the overall electric power business. The Company has therefore nominated him as a candidate to continue serving as Director.			
6 Reappointment	 Yoshiki Onoi (July 14, 1955)	April 1979 Joined the Company July 2006 Department Director of Business Planning Dept. June 2009 Executive Officer, Department Director of Business Planning Dept. January 2011 Executive Officer June 2013 Executive Managing Officer June 2015 Director and Executive Managing Officer (current position)	8,600 shares
Reasons for Nomination as Candidate for Director Mr. Yoshiki Onoi is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of civil engineering, international business and planning since joining the Company and also through his service as Executive Officer since June 2009. As concurrently serving as Director since June 2015, he has also continued not only fulfilling duties that fall under his responsibility as Director but addressing various management issues, and has distinguished knowledge and highly specialized expertise in the overall electric power business. The Company has therefore nominated him as a candidate to continue serving as Director.			

Candidate Number	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
7 Reappointment	 Hiromi Minaminosono (October 19, 1956)	April 1981 Joined the Company June 2009 Department Director of Personnel & Employee Relations Dept. December 2011 Department Director of Secretarial Affairs & Public Relation Dept. and Office Director of Public Relation Office, Secretarial Affairs & Public Relation Dept. June 2012 Department Director of Secretarial Affairs & Public Relation Dept. June 2013 Executive Officer, Department Director of Secretarial Affairs & Public Relation Dept. June 2014 Executive Managing Officer, Department Director of Ohma General Management Dept. June 2016 Director and Executive Managing Officer (current position)	6,820 shares
Reasons for Nomination as Candidate for Director Mr. Hiromi Minaminosono is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of general affairs, personnel & employee relations, sales and secretarial affairs & public relations since joining the Company and also through his service as officer of a group company and since June 2013 as Executive Officer of the Company. As concurrently serving as Director since June 2016, he has also continued not only fulfilling duties that fall under his responsibility as Director but addressing various management issues, and has distinguished knowledge and highly specialized expertise in the overall electric power business. The Company has therefore nominated him as a candidate to continue serving as Director.			
8 Reappointment	 Hiroyasu Sugiyama (April 11, 1956)	April 1981 Joined the Company July 2012 Department Director of International Business Development Dept. June 2013 Executive Officer, Department Director of International Business Development Dept. June 2015 Executive Managing Officer June 2016 Director and Executive Managing Officer (current position)	8,620 shares
Reasons for Nomination as Candidate for Director Mr. Hiroyasu Sugiyama is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of civil engineering and international business since joining the Company and also through his service as Executive Officer since June 2013. As concurrently serving as Director since June 2016, he has also continued not only fulfilling duties that fall under his responsibility as Director but addressing various management issues, and has distinguished knowledge and highly specialized expertise in the overall electric power business. The Company has therefore nominated him as a candidate to continue serving as Director.			

Candidate Number	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
9 Reappointment	 Hideki Tsukuda (June 7, 1957)	<p>April 1981 Joined the Company</p> <p>June 2012 Department Director of Thermal Power Engineering Dept.</p> <p>June 2013 Executive Officer, Department Director of Thermal Power Dept.</p> <p>June 2015 Executive Managing Officer</p> <p>June 2017 Director and Executive Managing Officer (current position)</p>	4,300 shares


Reasons for Nomination as Candidate for Director


Mr. Hideki Tsukuda is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of thermal power engineering, business development and thermal power maintenance since joining the Company and also through his service as officer of a group company and since June 2013 as Executive Officer of the Company. As concurrently serving as Director since June 2017, he has also continued not only fulfilling duties that fall under his responsibility as Director but addressing various management issues, and has distinguished knowledge and highly specialized expertise in the overall electric power business. The Company has therefore nominated him as a candidate to continue serving as Director.

10 Reappointment	 Makoto Honda (July 6, 1958)	<p>April 1982 Joined the Company</p> <p>June 2010 Department Director of Power Sales Dept.</p> <p>June 2014 Executive Officer, Department Director of Corporate Planning & Administration Dept.</p> <p>June 2016 Executive Managing Officer</p> <p>June 2017 Director and Executive Managing Officer (current position)</p>	4,600 shares
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Reasons for Nomination as Candidate for Director

Mr. Makoto Honda is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of personnel & employee relations, accounting & finance, sales and planning since joining the Company and also through his service as Executive Officer since June 2014. As concurrently serving as Director since June 2017, he has also continued not only fulfilling duties that fall under his responsibility as Director but addressing various management issues, and has distinguished knowledge and highly specialized expertise in the overall electric power business. The Company has therefore nominated him as a candidate to continue serving as Director.

Candidate Number	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
11 Reappointment Outside Director Independent Director	 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 Director (Outside Director) of the Company (current position)</p> <p>April 2011 President of Japan Legal Support Center</p> <p>June 2011 Outside Audit & Supervisory Board Member of The Yokohama Rubber Co., Ltd.</p> <p><Major Concurrent Positions></p> <ul style="list-style-type: none"> • Attorney at law (KAJITANI LAW OFFICES) 	0 shares
Reasons for Nomination as Candidate for Outside Director			
<p>Mr. Go Kajitani has distinguished knowledge as an attorney at law and abundant experience in the legal profession. As he has demonstrated his distinguished knowledge and highly specialized expertise since appointment as Outside Director of the Company in June 2009, the Company has nominated him as a candidate to continue serving as 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 has judged that he would be able to appropriately execute the duties of Outside Director.</p>			
Independence of Outside Director			
<p>The Company maintains special transactional relationships with neither Mr. Kajitani nor the entities where he concurrently serves, and he fulfils both the requirements for independent directors/auditors stipulated by the Tokyo Stock Exchange and the “Criteria to Determine the Independence of Outside Officers” established by the Company. Accordingly, the Company has appointed him as an independent director/auditor in accordance with the specifications of the Tokyo Stock Exchange.</p>			

Candidate Number	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
12 Reappointment Outside Director Independent Director	 Tomonori Ito (January 9, 1957)	<p>April 1979 Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.)</p> <p>March 1990 Vice President of Investment Banking Group, Bank of Tokyo Trust Company, New York Branch</p> <p>April 1994 Vice President of Emerging Market Group, The Bank of Tokyo, Ltd., New York Branch</p> <p>March 1995 Manager of Business Development Daini, Union Bank of Switzerland, Tokyo Branch (currently UBS)</p> <p>August 1997 General Manager of Tokyo Branch and Head of Investment Banking, Union Bank of Switzerland</p> <p>June 1998 Head of Investment Banking and Managing Director, UBS Securities Japan Co., Ltd.</p> <p>April 2011 Visiting Professor of Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>May 2012 External Director of PARCO CO., LTD. (current position)</p> <p>October 2012 Professor of Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>June 2014 Outside Director of Aozora Bank, Ltd. (current position)</p> <p>June 2016 Director (Outside Director) of the Company (current position)</p> <p>April 2018 Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University (current position)</p> <p><Major Concurrent Positions></p> <ul style="list-style-type: none"> • Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University • External Director of PARCO CO., LTD. • Outside Director of Aozora Bank, Ltd. 	1,000 shares


Reasons for Nomination as Candidate for Outside Director

Mr. Tomonori Ito has abundant experience in investment banking business both inside and outside Japan, and also has distinguished knowledge acquired through researches in financial theory as Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University. As he has demonstrated his distinguished knowledge and highly specialized expertise since appointment as Outside Director of the Company in June 2016, the Company has nominated him as a candidate to continue serving as Outside Director.

Independence of Outside Director

The Company maintains special transactional relationships with neither Mr. Ito nor the entities where he concurrently serves, and he fulfils both the requirements for independent directors/auditors stipulated by the Tokyo Stock Exchange and the “Criteria to Determine the Independence of Outside Officers” established by the Company. Accordingly, the Company has appointed him as an independent director/auditor in accordance with the specifications of the Tokyo Stock Exchange.

Moreover, although MUFG Bank, Ltd. (formerly The Bank of Tokyo, Ltd.), at which he served in the past as an executive officer, is currently one of the Company’s major lenders and shareholders, he resigned from the bank in February 1995, since which time roughly 23 years have elapsed. In addition, although UBS Securities Japan Co., Ltd. (formerly Union Bank of Switzerland / UBS Securities Japan Co., Ltd.), at which he served in the past as an executive officer, was the lead managing underwriter when the Company was listed on the stock exchange, he resigned from the company in March 2011, since which time roughly 7 years have elapsed.

Candidate Number	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
13 Reappointment Outside Director Independent Director	 John Buchanan (October 31, 1951)	<p>October 1974 Joined Lloyds Bank Group (Bank of London and South America, Lloyds Bank International, Lloyds Merchant Bank)</p> <p>January 1981 Representative, subsequently Branch Manager, Lloyds Bank International, Osaka</p> <p>August 1983 Branch Manager, Bank of London and South America, Barcelona</p> <p>October 1987 Joined S.G. Warburg & Co. Ltd.</p> <p>October 1992 Director of S.G. Warburg & Co. Ltd.</p> <p>October 1995 Joined The Sumitomo Bank, Limited, London Branch</p> <p>May 2000 Joined Daiwa Securities SB Capital Markets Europe Limited</p> <p>August 2006 Research Associate of Centre for Business Research, University of Cambridge (current position)</p> <p>June 2016 Director (Outside Director) of the Company (current position)</p> <p><Major Concurrent Positions></p> <ul style="list-style-type: none"> • Research Associate of Centre for Business Research, University of Cambridge 	0 shares

Reasons for Nomination as Candidate for Outside Director

Mr. John Buchanan has abundant experience in investment advisory business both inside and outside Japan, and also has distinguished knowledge acquired through researches concerning corporate governance at University of Cambridge. As he has demonstrated his distinguished knowledge and highly specialized expertise since appointment as Outside Director of the Company in June 2016, the Company has nominated him as a candidate to continue serving as Outside Director.

Independence of Outside Director

The Company maintains special transactional relationships with neither Mr. Buchanan nor the entities where he concurrently serves, and he fulfils both the requirements for independent directors/auditors stipulated by the Tokyo Stock Exchange and the “Criteria to Determine the Independence of Outside Officers” established by the Company. Accordingly, the Company has appointed him as an independent director/auditor in accordance with the specifications of the Tokyo Stock Exchange.

Moreover, although Sumitomo Mitsui Banking Corporation (formerly The Sumitomo Bank, Limited), at which he served in the past as a person who executes business, is currently one of the Company’s major lenders and shareholders, he resigned from the bank in April 2000, since which time roughly 18 years have elapsed. Also, although he served in the past as a person who executes business of Daiwa Securities SB Capital Markets Europe Limited, a group company of Sumitomo Mitsui Banking Corporation, he resigned from the company in August 2002, since which time roughly 16 years have elapsed.

- Notes:
1. There is no conflict of interest between any of the Director candidates and the Company.
 2. Roles and responsibilities of the Director candidates are as described in Attachments (page 31 to page 33).
 3. Mr. Go Kajitani currently serves as an Outside Director of the Company, and his term of office will be nine years as of the end of this General Meeting of Shareholders.
 4. Mr. Tomonori Ito currently serves as an Outside Director of the Company, and his term of office will be two years as of the end of this General Meeting of Shareholders.
 5. Mr. John Buchanan currently serves as an Outside Director of the Company, and his term of office will be two years as of the end of this General Meeting of Shareholders.
 6. The Company has entered into a contract with Messrs. Go Kajitani, Tomonori Ito and John Buchanan that limits their 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 they are elected, it is planned to continue the limited liability contracts.


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

The term of office for Mr. Hiroshi Fujioka, who serves as an Audit & Supervisory Board Member, 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:

	Name (Date of Birth)	Brief Personal History, Status of Major Concurrent Positions, and Duties at the Company	Number of Shares of the Company Held	
	 Hiroshi Fujioka (June 2, 1954)	April 1977	0 shares	
		Joined the Ministry of Finance		
		July 2008		Director-General of Customs and Tariff Bureau, the Ministry of Finance
		July 2009		Director-General for Policy Planning, the Ministry of Land, Infrastructure, Transport and Tourism
		January 2012		Senior Executive Vice President of Japan Housing Finance Agency (Incorporated Administrative Agency)
Reappointment		January 2014		Councilor of the Minister's Secretariat, the Ministry of Finance
Outside Audit & Supervisory Board Member		June 2014		Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) of the Company
Independent Audit & Supervisory Board Member		June 2015		Senior Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) of the Company (current position)
		June 2016		Outside Corporate Auditor of The Nishi-Nippon City Bank, Ltd.
		October 2016		Audit and Supervisory Committee Member (Outside Director) of The Nishi-Nippon City Bank, Ltd. (current position)
<Major Concurrent Positions> <ul style="list-style-type: none"> • Audit and Supervisory Committee Member (Outside Director) of The Nishi-Nippon City Bank, Ltd. 				
Reasons for Nomination as Candidate for Outside Audit & Supervisory Board Member Mr. Hiroshi Fujioka has distinguished knowledge and abundant experience acquired through working in the administration for a long time. As he has demonstrated his distinguished knowledge and highly specialized expertise since appointment as Outside Audit & Supervisory Board Member of the Company in June 2014, the Company has nominated him as a candidate to continue serving as Outside Audit & Supervisory Board Member. 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 has judged that he would be able to appropriately execute the duties of Outside Audit & Supervisory Board Member.				
Independence of Outside Director The Company maintains special transactional relationships with neither Mr. Fujioka nor the entities where he concurrently serves, and he fulfils both the requirements for independent directors/auditors stipulated by the Tokyo Stock Exchange and the "Criteria to Determine the Independence of Outside Officers" established by the Company. Accordingly, the Company has appointed him as an independent director/auditor in accordance with the specifications of the Tokyo Stock Exchange.				

Notes: 1. There is no conflict of interest between the Audit & Supervisory Board Member candidate and the Company.

2. Mr. Hiroshi Fujioka currently serves as an Outside Audit & Supervisory Board Member 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 Mr. Hiroshi Fujioka 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 he is elected, it is planned to continue the limited liability contract.

(Reference) Criteria to Determine the Independence of Outside Officers

The Company has established the “Criteria to Determine the Independence of Outside Officers” and determines that an outside officer is independent when all of the following criteria are met.

Outside Officers must not fall under any of the following items:

1. Persons whose major business partner (*1) is the Company or the Company’s subsidiaries or persons executing business for such persons.
2. Persons who are major business partners (*1) of the Company or the Company’s subsidiaries, or persons executing business for our major business partners.
3. Consultants, accounting professionals, and legal professionals who have received large amounts of money (*2) and/or other properties other than officers’ remuneration from the Company or the Company’s subsidiaries. (If the persons that have received such properties are corporations, general partnerships, or other organizations, this means persons that belong to such organizations.)
4. Persons who fall under any of (1) to (3) below during the past ten years:
 - (1) Persons listed in paragraphs 1 to 3 above;
 - (2) Persons who execute business, or Directors who do not execute business of the Company or the Company’s subsidiaries; or
 - (3) Audit & Supervisory Board Members of the Company or the Company’s subsidiaries.
5. Persons who are close relatives of any of the persons listed in (1) to (4) below (excluding immaterial persons):
 - (1) Persons listed in paragraphs 1 to 4 above;
 - (2) Persons who executes business, or Directors who do not execute business of the Company or the Company’s subsidiaries;
 - (3) Audit & Supervisory Board Members of the Company or the Company’s subsidiaries; or
 - (4) Persons who fall under (2) or (3) above during the past ten years.

*1 “Major business partners” refer to business partners whose annual amount of transactions with the Company during the past 3 fiscal years accounted for 2% or more of the total consolidated sales of the Company or that of the other party.

*2 “Large amounts of money” refers to ten million yen or more a year, on average during the past 3 fiscal years.

(Attachments)

BUSINESS REPORT (from April 1, 2017 to March 31, 2018)

I Items Regarding Status of Group Operations

1. Overview of Operations

In the fiscal year under review that ended March 31, 2018, the overall global economy achieved a moderate recovery despite concern about geopolitical risks, due to the steady economies in the main countries along with signs of economic recovery in Asian countries. The Japanese economy continued its moderate recovery trend including a pickup in consumer spending and private-sector capital investment, with the employment environment and income conditions continuously showing some improvement.

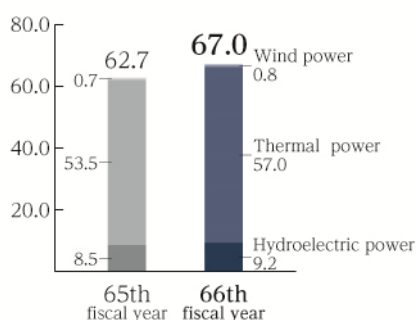
In response to these conditions, the J-POWER Group is taking moving ahead steadily with initiatives to realize the Medium-term Management Plan that was drawn up in July 2015.

In the electric power business, electricity sales volume from hydroelectric power plants for the current fiscal year showed 8.7% increase to 9.2TWh, due mainly to the increase of water supply rate from 92% in the previous fiscal year to 105%. In thermal power, an increase in the load factor of thermal power plants of the Company (non-consolidated) from 75% to 80% resulted in 6.5% increase in electricity sales volume from the previous fiscal year to 57.0TWh. Mainly due to these factors, total electricity sales volume in the electric power business increased 6.8% from the previous fiscal year to 67.0TWh.

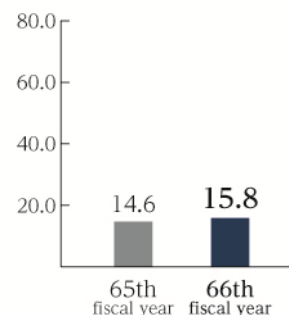
Electricity sales volume in the overseas business increased 8.1% from the previous fiscal year to 15.8TWh.

Electricity Sales Volumes (TWh)

■ In Japan ■



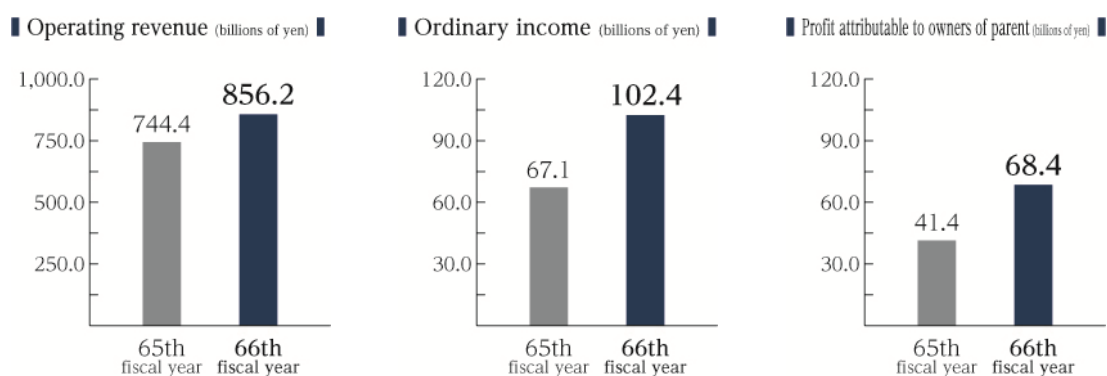
■ Outside Japan ■



Sales (operating revenue) increased 15.0% from the previous fiscal year to 856.2 billion yen mainly due to the increase of the fuel price and the load factor of thermal power plants in the electric power business. Non-operating revenue increased 41.8% from the previous fiscal year to 29.1 billion yen mainly due to the foreign exchange gains. Total ordinary revenue increased 15.7% from the previous fiscal year to 885.3 billion yen.

Operating expenses increased 13.5% from the previous fiscal year to 751.9 billion yen. This was mainly due to the increase of fuel costs associated with the increase of the fuel price and the load factor of thermal power plants. Total ordinary expenses including non-operating expenses increased 12.2% from the previous fiscal year to 782.8 billion yen.

As a result, ordinary income increased 52.6% from the previous fiscal year to 102.4 billion yen and profit attributable to owners of parent after posting impairment loss in extraordinary loss and deducting corporate income tax increased 65.2% from the previous fiscal year to 68.4 billion yen.



2. Current Challenges

The business environment for electric power business in Japan is changing on a large scale. These changes include the formulation of the “Long-term Energy Supply and Demand Outlook” in July 2015, setting energy source mix targets for renewable energy, nuclear power and coal-fired thermal power, in addition to establishing new CO₂ reduction targets for international society. Furthermore, the full-scale liberalization of retail business and abolishment of wholesale regulations came into force in April 2016 and the unbundling of power generation and transmission is scheduled in 2020.

In response to these conditions, the J-POWER Group has established a Medium-term Management Plan (announced on July 31, 2015) to address the challenge of achieving further growth over the next decade by leveraging the increase in capital through the public offering and disposition of treasury shares carried out in March 2015. As for the direction to head in, there are three concepts: “Realize growth in Japan by surviving the competition in a liberalized market,” “Enhance overseas business expansion” and “Further low-carbon technologies enabling greater business growth globally.” To achieve this, the Group is promoting the following initiatives to incorporate these concepts that are taking some tangible form and striving for further growth and a higher corporate value.

(1) Expansion of Renewable Energy

From its establishment, the J-POWER Group has been producing a large amount of electricity by hydroelectric power which largely contributes to a stable supply of electric power and reducing CO₂ emissions. While making efforts for future stable operation over the long term, the Group continues to further promote utilization of hydroelectric power (development of small to medium-scale plants, enhancement of capacity of existing plants by comprehensive renewal of main facilities, etc.).

With regard to wind power, the Group will steadily promote projects (Setana-Ohsato, Kuzumaki No. 2, and Nikaho No. 2) already under construction and will also continuously find and cultivate locations with good wind conditions aiming at expanding business platform, in addition to improving capacity utilization rates through more efficient maintenance and operation resulting in enhanced earnings capability. The Group will also take initiatives for the offshore wind power business.

Also, in geothermal power, a baseload power source, the Group will steadily work on Wasabizawa Geothermal Power Plant (output capacity of 42 MW, joint venture with Mitsubishi Materials Corporation and Mitsubishi Gas Chemical Company, Inc., scheduled to start operations in 2019) and take initiatives in the new development and replacement of existing facilities.

The Group will utilize its technological capabilities and contribute to realizing a low-carbon society via renewable energy as a leader in the business of fully domestically produced and CO₂-free energy.

(2) Challenge for Carbon Reduction and Decarbonization in Coal Use

The J-POWER Group will contribute to realizing a balanced energy mix through the use of coal, a stable energy source that is widely available around the world, while contributing to achieving a low-carbon society through challenges for the decarbonization of fossil-fuel energy power sources.

(a) Initiatives for developing technologies

To realize zero emissions in the 2050s, the J-POWER Group will aim at commercialization of the oxygen-blown Integrated Coal Gasification Combined Cycle (IGCC) technology and take steps toward R&D such as CO₂ Capture and Storage (CCS) technology and hydrogen.

As one of such R&D initiatives, the Group has established OSAKI CoolGen Corporation, a joint venture with The Chugoku Electric Power Co., Inc. Trials of the oxygen-blown IGCC technology (Phase 1) have commenced in March 2017. In addition, detailed design of the CO₂ separation and capture facilities is going forward aiming for commencement of trials of the oxygen-blown IGCC technology with CO₂ separation and capture (Phase 2) in FY2019. In addition, aiming to construct an international supply chain involving the liquefaction of hydrogen produced from Australian brown coal and transportation to Japan, the Company is conducting technology development for gasification of brown coal to produce hydrogen.

(b) Development of high-efficiency coal-fired thermal power

The J-POWER Group will surely conduct replacement of Takehara Thermal Power Plant, New Unit No. 1 currently under construction (output capacity of 600 MW, scheduled to start operations in 2020) and Kashima Power Project (output capacity of 645 MW, joint venture with NIPPON STEEL & SUMITOMO METAL CORPORATION, scheduled to start operations in 2020), and continue to promote the development of high-efficiency coal-fired thermal power in the future.

(c) Initiatives for biomass mixed combustion

The J-POWER Group will aim for a maximum of 10% mixed combustion in Takehara Thermal Power Plant, New Unit No. 1 currently under construction while continuing with biomass mixed combustion in the existing thermal power plant focusing on wood-based biomass fuel.

(3) Promotion of the Ohma Nuclear Power Project, with safety as the major prerequisite

The J-POWER Group is promoting construction of the Ohma Nuclear Power Plant (output capacity of 1,383 MW, start of operations to be determined) which uses uranium-plutonium mixed oxide (MOX) fuel in Ohma-machi, Shimokita-gun, Aomori Prefecture.

The power plant will meet social needs for securing a baseload power source to support stable energy supply and for measures against global warming. The Group will continuously pursue further improvements in safety here as an important project in which the plant plays a central role in the nuclear fuel cycle utilizing plutonium. In addition, the Group will aim to make steady efforts for more detailed information dissemination and mutual communication so that it can continue to gain the understanding and trust from the local community.

On December 16, 2014, the Company submitted to Nuclear Regulation Authority (NRA) an application for permission for alteration of reactor installment license and an application for construction plan approval in order to undertake review of compliance with the new safety standards for nuclear power plants. Currently the Group is sincerely and appropriately responding to compliance reviews by NRA and will aim to restart full-scale construction work at an early stage by continuously and steadily taking the necessary safety measures, etc.

(4) Expansion of Overseas Power Generation Business

Currently, with respect to Central Java coal thermal Independent Power Producer (IPP) project (output capacity of 2,000 MW, joint venture with PT. ADARO POWER and ITOCHU Corporation) under construction in Indonesia, the J-POWER Group will aim to

commence operations in June 2020 (Unit No. 1) and in December 2020 (Unit No. 2) based on the construction plan. In addition, with respect to Westmoreland thermal power plant project (output capacity of 926 MW, Combined Cycle Gas Turbine Power Plant, joint venture with Tenaska, Inc. and Diamond Generating Corporation) under construction in the United States, the Group will aim to start operations in 2018.

The Group steadily promotes projects under construction and makes efforts to enhance earnings capability in overseas power generation business including existing projects. In order to achieve 10 GW target for overseas owned capacity mentioned in the Medium-term Management Plan, the Group aims for acquiring new development projects including high-efficiency coal-fired thermal power projects, mainly in Asia where there is burgeoning energy demand in addition to Thailand, the United States and China where the Group has its business platform, and takes steps to expand the renewable energy business including wind and hydroelectric power.

(5) Improvement of Value of Existing Facilities

(a) Being competitive in the market

Liberalization of the domestic electricity business market is progressing in which regulations are relaxed and competition is introduced. The J-POWER Group will play its expected role toward activating the wholesale electricity market essential for a competitive market through initiatives such as supplying power to the baseload power market.

In addition, in this period of ever-increasing volumes of electricity being sold to the wholesale electricity market, the Group is mindful of how the value of electricity is broken into the values of supply capability, adjustment capability and non-fossil fuel generation. Therefore, while ensuring the major precondition of stable supply and safety, the Group will work to strengthen its production division by improving its cost competitiveness, improve the flexibility of facility operations in response to market needs, and continuously optimize maintenance while working to maximize the value of its generating assets by diversifying its ways of sales.

(b) Nationwide improvement and maintaining soundness of transmission facilities

The J-POWER Group continues to endeavor to maintain and improve reliability for its interconnecting lines and other transmission facilities and will contribute to the nationwide improvement of power grid by measures such as the strengthening of the Sakuma Frequency Converter Station and related facilities.

3. Capital Investment

(1) Total Capital Investment: 98,716 million yen

(2) Major Facilities under Construction

Segment	Facility Type	Facility Name	Capacity
Electric Power Business	Power Generation (Nuclear Power)	Ohma Nuclear Power Plant	1,383 MW
Electric Power Business	Power Transmission	Ohma Main-Transmission Line	500 kV, 61 km in length
Electric Power Business	Power generation (Thermal Power)	Takehara Thermal Power Plant Unit New No. 1	600 MW

4. Financing Activities

The following issuance of bonds, and long-term loans has been made in order to fund capital investment and pay down interest-bearing debt.

Category	Amount	Remarks
Bonds	100,000 million yen	Domestic straight bonds
Long-term Loans	56,510 million yen	
Total	156,510 million yen	

5. Trend in Assets and Profit/Loss

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

Category	63rd fiscal year (FY2014)	64th fiscal year (FY2015)	65th fiscal year (FY2016)	66th fiscal year (FY2017)
Operating revenue (millions of yen)	750,627	780,072	744,402	856,252
Ordinary income (millions of yen)	59,350	58,538	67,150	102,476
Profit attributable to owners of parent (millions of yen)	43,206	40,081	41,429	68,448
Earnings per share (yen)	284.43	218.97	226.33	373.93
Total assets (millions of yen)	2,659,149	2,540,723	2,606,285	2,647,221
Net assets (millions of yen)	696,298	675,433	764,019	836,124

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

Category	63rd fiscal year (FY2014)	64th fiscal year (FY2015)	65th fiscal year (FY2016)	66th fiscal year (FY2017)
Operating revenue (millions of yen)	557,943	552,341	522,460	614,591
Ordinary income (millions of yen)	28,938	40,174	56,470	52,460
Profit (millions of yen)	22,442	30,820	51,552	41,938
Earnings per share (yen)	147.74	168.37	281.63	229.11
Total assets (millions of yen)	2,058,609	1,985,248	2,060,881	2,075,706
Net assets (millions of yen)	512,276	517,867	562,192	590,927

6. Major Areas of Operation (as of March 31, 2018)

(1) Business Segment

The business of the J-POWER Group is comprised of four business segments. The “electric power business,” which consists of power generation business utilizing power plants owned by the Company or its affiliated companies, including hydroelectric, thermal and wind power plants, and transmission business utilizing our power transmission and transforming facilities owned by the Company. The other segments are the “electric power-related businesses,” which complement the electric power business and contribute to its smooth and efficient 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.

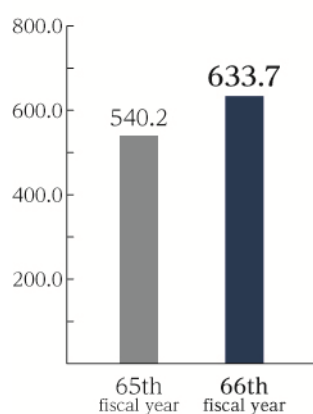
(2) A Brief Overview of the Business Results of Each Business Segment

Electric Power Business	Power generation business; transmission businesses
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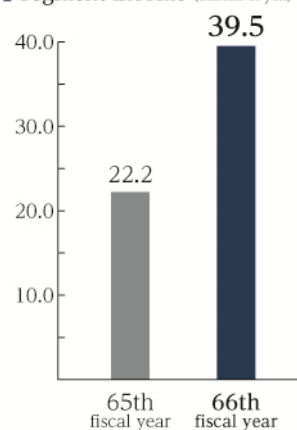
Sales (electric utility operating revenue) increased 17.3% from the previous fiscal year to 633.7 billion yen mainly due to the increase of the fuel price and the load factor of thermal power plants.

Segment income increased 78.1% from the previous fiscal year to 39.5 billion yen due mainly to the increase in sales.

■ Operating revenue (billions of yen) ■



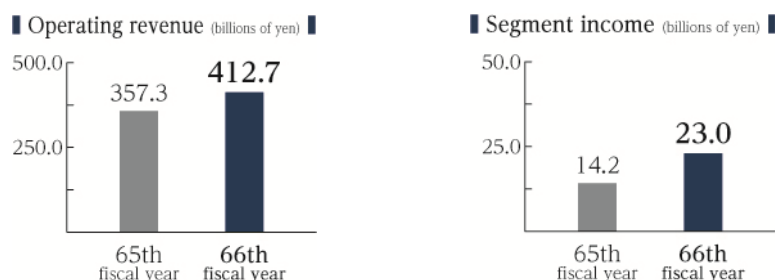
■ Segment income (billions of yen) ■



Electric Power-Related Businesses	Design, installation, inspection, and repair of power generation equipment for power plants; 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.
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Sales (other business operating revenue) increased 15.5% from the previous fiscal year to 412.7 billion yen mainly due to the increase in sales of coal in a consolidated subsidiary.

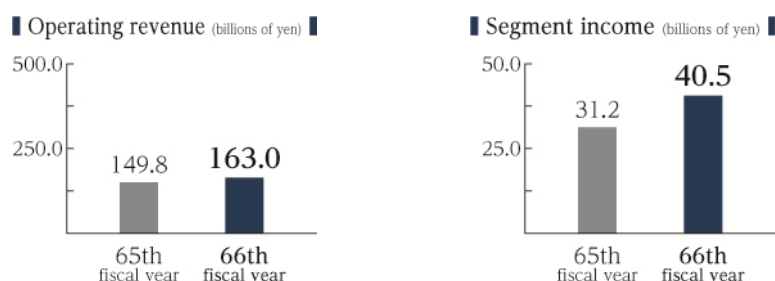
Segment income increased 62.2% from the previous fiscal year to 23.0 billion yen due mainly to the increase in sales.



Overseas Business	Overseas power generation and its related businesses; overseas engineering consulting business, etc.
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Sales (overseas business operating revenue) increased 8.8% from the previous fiscal year to 163.0 billion yen due mainly to the increase in electricity sales volume and the impact of foreign currency exchange caused by depreciation of yen.

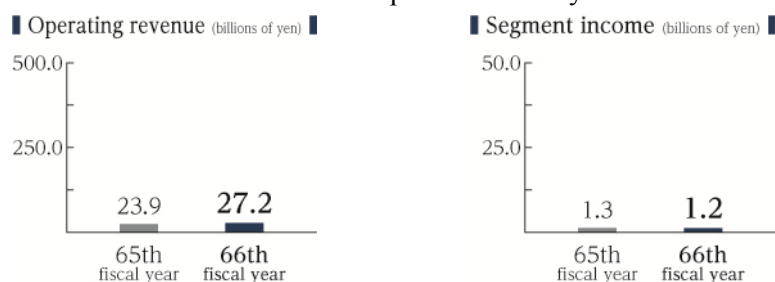
Segment income increased 29.8% from the previous fiscal year to 40.5 billion yen due mainly to the foreign exchange gains and the impact of foreign currency exchange caused by depreciation of yen.



Other Businesses	Waste-fueled power generation; cogeneration system business; environment-related businesses; IT communications; domestic engineering consulting business; and coal sales business, etc.
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Sales (other business operating revenue) increased 13.6% from the previous fiscal year to 27.2 billion yen.

Segment income decreased 8.6% from the previous fiscal year to 1.2 billion yen.



7. Major Subsidiaries (as of March 31, 2018)

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Major Areas of Operation
Electric Power Business				
Bay Side Energy Co., Ltd.	Chuo-ku, Tokyo	2,400	100	Thermal power business
Mihama Seaside Power Co., Ltd.	Chiba-shi, Chiba Pref.	914	100	Thermal power business
Minami Kyushu Wind Power Co., Ltd.	Minami Osumi-cho, Kimotsuki-gun, Kagoshima Pref.	320	100	Wind power business
J-Wind Co., Ltd.	Chuo-ku, Tokyo	100	100	Wind power business
Yurihonjo Wind Power Co., Ltd.	Chuo-ku, Tokyo	9	100	Wind power business
J-Wind NIKAHO Co., Ltd.	Chuo-ku, Tokyo	5	100	Wind power business
J-Wind KUZUMAKI Co., Ltd.	Chuo-ku, Tokyo	5	100	Wind power business
J-Wind SETANA Co., Ltd.	Chuo-ku, Tokyo	5	90	Wind power business
Nagasaki-Shikamachi Wind Power Co., Ltd.	Sasebo-shi, Nagasaki Pref.	490	70	Wind power business
ITOIGAWA POWER Inc.	Itoigawa-shi, Niigata Pref.	1,006	64	Thermal power business
Electric Power-Related Businesses				
J-POWER AUSTRALIA PTY. LTD.	Australia	548 (million AUD)	100	Investment in coal mine development projects in Australia
JPec Co., Ltd.	Chuo-ku, Tokyo	500	100	Construction, engineering, design, consulting, and maintenance inspections for thermal and nuclear power plants; shipping of coal for thermal power plants; sales of fly ash, and marine transport of coal fuel for electricity generation; environmental protection studies and planning
JPHYTEC Co., Ltd.	Chiyoda-ku, Tokyo	500	100	Construction, engineering, design, consulting, and maintenance inspections for hydroelectric power plants and transmission & transformation facilities; real estate indemnity; land surveying; civil engineering work; general architecture; construction supervision
JP Business Service Corporation	Koto-ku, Tokyo	450	100	Management of welfare facilities; building maintenance; administrative and labor services; computer software development
J-POWER RESOURCES Co., Ltd.	Chuo-ku, Tokyo	450	100	Imports, sales and transportation of coal

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Major Areas of Operation
J-POWER EnTech Inc.	Minato-ku, Tokyo	177	100	Engineering of equipment for removal of atmospheric and water pollutants
KEC Corporation	Bunkyo-ku, Tokyo	110	100	Installation and maintenance of applied electronic and communications equipment
JPOWER GENEX CAPITAL Co., Ltd.	Chuo-ku, Tokyo	100	100	Management of IPP joint venture projects
J-Wind Service Co., Ltd.	Chuo-ku, Tokyo	50	100	Maintenance and operation of wind power facilities
JP Design Co., Ltd.	Chiyoda-ku, Tokyo	20	100	Design, supervision, research and consultant services for electric power facilities and other general facilities
Miyazaki Wood Pellet Co., Ltd.	Kobayashi-shi, Miyazaki Pref.	300	98	Management and maintenance of woody pellet production facilities; procurement of forest waste
JM Activated Coke, Inc.	Kitakyushu-shi, Fukuoka Pref.	490	90	Production and sales of activated coke
EPDC CoalTech and Marine Co., Ltd.	Chuo-ku, Tokyo	20	100 (100)	Marine transport of coal ash and fly ash
Overseas Business				
J-Power Investment Netherlands B.V.	The Netherlands	59 (million USD)	100	Management of investments
J-POWER Consulting (China) Co., Ltd.	The People's Republic of China	6 (million RMB)	100	Management of investments, research and development of projects
J-POWER North America Holdings Co., Ltd.	U.S.A.	1 (USD)	100	Management of investments
J-POWER Holdings (Thailand) Co., Ltd.	Thailand	29,756 (million bahts)	100 (100)	Management of investments
J-POWER Generation (Thailand) Co., Ltd.	Thailand	39 (million bahts)	100 (100)	Management of investments, research and development of projects
J-POWER USA Investment Co., Ltd.	U.S.A.	32 (USD)	100 (100)	Management of investments
J-POWER USA Development Co., Ltd.	U.S.A.	1 (USD)	100 (100)	Management of investments, research and development of projects
Gulf JP Co., Ltd.	Thailand	32,890 (million bahts)	60 (60)	Management of investments
Gulf JP UT Co., Ltd.	Thailand	11,933 (million bahts)	60 (60)	Thermal power business
Gulf JP NS Co., Ltd.	Thailand	11,104 (million bahts)	60 (60)	Thermal power business

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Major Areas of Operation
Gulf JP NNK Co., Ltd.	Thailand	1,490 (million bahts)	60 (60)	Thermal power business
Gulf JP CRN Co., Ltd.	Thailand	1,440 (million bahts)	60 (60)	Thermal power business
Gulf JP NK2 Co., Ltd.	Thailand	1,370 (million bahts)	60 (60)	Thermal power business
Gulf JP TLC Co., Ltd.	Thailand	1,365 (million bahts)	60 (60)	Thermal power business
Gulf JP KP1 Co., Ltd.	Thailand	1,360 (million bahts)	60 (60)	Thermal power business
Gulf JP KP2 Co., Ltd.	Thailand	1,275 (million bahts)	60 (60)	Thermal power business
Gulf JP NLL Co., Ltd.	Thailand	1,384 (million bahts)	45 (45)	Thermal power business
Other Businesses				
KAIHATSU HIRYOU CO., Ltd.	Takehara-shi, Hiroshima Pref.	450	100	Production and sales of coal ash-based fertilizer
Japan Network Engineering Co., Ltd.	Chuo-ku, Tokyo	50	100	Telecommunications; operation and maintenance of telecommunications facilities
Omuta Plant Service Co., Ltd.	Omuta-shi, Fukuoka Pref.	50	100	Operation and maintenance of a waste-fueled power generation plant
Greencoal Saikai Co., Ltd.	Saikai-shi, Nagasaki Pref.	100	60	Operation of an ordinary waste-based fuel manufacturing facility
Biocoal Osaka-Hirano Co., Ltd.	Osaka-shi, Osaka Pref.	50	60	Construction and operation of a sewage sludge-based fuel manufacturing facility

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 88 affiliates accounted for by the equity method.

8. Major Business Locations (as of March 31, 2018)

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

(a) Head Office

Name	Location
Head Office	Chuo-ku, Tokyo

(b) Offices

Office Name		Location
Regional Headquarters	East Regional Headquarter	Kawagoe-shi, Saitama Pref.
	Chubu Regional Headquarter	Kasugai-shi, Aichi Pref.
	West Regional Headquarter	Osaka-shi, Osaka Pref.
Regional Transmission System & Telecommunications Center	North Regional Transmission System & Telecommunications Center	Nanae-cho, Kameda-gun, Hokkaido Pref.
	East Regional Transmission System & Telecommunications Center	Kawagoe-shi, Saitama Pref.
	Central Regional Transmission System & Telecommunications Center	Kasugai-shi, Aichi Pref.
	West Regional Transmission System & Telecommunications Center	Kurashiki-shi, Okayama Pref.

(c) Power Plants

Sector	Power Plant Name (Location)
Hydroelectric Power (Output of 100 MW or more)	Okutadami, Tagokura, Otori, Shimogo (all in Fukushima Pref.), Okukiyotsu, Okukiyotsu #2 (both in Niigata Pref.), Numappara (Tochigi Pref.), Shintoyone (Aichi Pref.), Sakuma (Shizuoka Pref.), Miboro (Gifu Pref.), Nagano (Fukui Pref.), Tedorigawa #1 (Ishikawa Pref.), Ikehara (Nara Pref.), Sendaigawa #1 (Kagoshima Pref.) (47 other power plants with output below 100 MW)
Thermal Power	Isogo (Kanagawa Pref.), Takasago (Hyogo Pref.), Takehara (Hiroshima Pref.), Tachibanawan (Tokushima Pref.), Matsuura, Matsushima (both in Nagasaki Pref.), Ishikawa Coal Thermal (Okinawa Pref.)

(2) Location of Major Subsidiaries

Head office locations of major subsidiaries are provided in “7. Major Subsidiaries” on pages 24 to 26.

9. Employees (as of March 31, 2018)

(1) Employees of the J-POWER Group

Segment	Number of Employees
Electric Power Business	2,342
Electric Power-Related Businesses	4,047
Overseas Business	647
Other Businesses	168
Total	7,204

- 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
2,407	+9	41.0	19.9

- Notes: 1. The number of employees represents a number of employees at work, and does not include 663 employees on loan, etc.
2. The number of temporary employees is omitted as it is less than 10% of the total.

10. Major Lenders (as of March 31, 2018)

Lender	Loan Balance at End of this Fiscal Year
Mizuho Bank, Ltd.	101,860 million yen
Sumitomo Mitsui Banking Corporation	93,344 million yen
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	67,326 million yen
The Norinchukin Bank	55,500 million yen
Nippon Life Insurance Company	51,900 million yen

- Notes: 1. In addition to those listed above, there are two other major loans for overseas business projects under loan syndication arrangements (192,236 million yen in total).
2. The Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its trade name to MUFG Bank, Ltd. as of April 1, 2018.

II Items Regarding Shares of the Company

Shares (as of March 31, 2018)

- (1) Number of shares authorized for issue 660,000,000 shares
- (2) Number of shares issued 183,051,100 shares
(including 1,751 shares of treasury stock)
- (3) Number of shareholders 33,937
- (4) Major shareholders (top 10 shareholders)

Shareholder Name	Number of shares held (thousands)	Shareholding ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	11,669	6.37
Nippon Life Insurance Company	9,152	5.00
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,010	4.92
Mizuho Bank, Ltd.	6,955	3.80
Japan Trustee Services Bank, Ltd. (Trust Account 9)	5,843	3.19
JP MORGAN CHASE BANK 385632	5,567	3.04
Sumitomo Mitsui Banking Corporation	4,295	2.35
J-POWER Employees Shareholding Association	3,786	2.07
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	3,522	1.92
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,331	1.82

Notes: 1. The above shareholding ratios are calculated excluding treasury stock.

2. The Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its trade name to MUFG Bank, Ltd. as of April 1, 2018.

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

1. Directors and Audit & Supervisory Board Members (as of March 31, 2018)

Title	Name	Roles and responsibilities of the current position and other major concurrent positions
Chairman and Representative Director	Masayoshi Kitamura	<ul style="list-style-type: none"> Company-wide compliance
President and Representative Director	Toshifumi Watanabe	
Executive Vice President and Representative Director	Hitoshi Murayama	<ul style="list-style-type: none"> Business described below: Production/technology oversight
Executive Vice President and Representative Director	Masato Uchiyama	<ul style="list-style-type: none"> Business described below: Development/sales oversight/international business Department Director of Energy Business (delegation of administrative works)
Executive Vice President and Representative Director	Shuji Etoh	<ul style="list-style-type: none"> Business described below: Corporate oversight Department Deputy Director of Nuclear Power Business (delegation of administrative works)
Executive Vice President and Representative Director	Akihito Urashima	<ul style="list-style-type: none"> Business described below: Nuclear power oversight Department Director of Nuclear Power Business (delegation of administrative works)
Director and Executive Managing Officer	Yoshiki Onoi	<ul style="list-style-type: none"> International Business Management Dept. International Business Development Dept. Department Director of International Business (delegation of administrative works)
Director and Executive Managing Officer	Hiromi Minaminosono	<ul style="list-style-type: none"> Secretarial Affairs & Public Relation Dept. Personnel & Employee Relations Dept. Energy Planning Dept. Power Business Planning & Development Dept. Nuclear Power Management Dept. Department Deputy Director of Energy Business (delegation of administrative works) Department Deputy Director of Nuclear Power Business (delegation of administrative works)
Director and Executive Managing Officer	Hiroyasu Sugiyama	<ul style="list-style-type: none"> Civil & Architectural Engineering Dept. Thermal Power Engineering Business, International Business and Environment & Energy Business (matters under special assignment) Department Deputy Director of Nuclear Power Business (delegation of administrative works)
Director and Executive Managing Officer	Hideki Tsukuda	<ul style="list-style-type: none"> Thermal Power Dept. Thermal Power Engineering Dept. Research & Development Dept. International business (matters under special assignment)

Title	Name	Roles and responsibilities of the current position and other major concurrent positions
Director and Executive Managing Officer	Makoto Honda	<ul style="list-style-type: none"> • Accounting & Finance Dept. • Procurement Dept. • International Business Management Dept. • Corporate planning & administration (matters under special assignment) • Department Deputy Director of International Business (delegation of administrative works)
Outside Director	Go Kajitani	<Major concurrent positions> <ul style="list-style-type: none"> • Attorney at law (KAJITANI LAW OFFICES)
Outside Director	Tomonori Ito	<Major concurrent positions> <ul style="list-style-type: none"> • Professor of Graduate School of International Corporate Strategy, Hitotsubashi University • External Director of PARCO CO., LTD. • Outside Director of Aozora Bank, Ltd.
Outside Director	John Buchanan	<Major concurrent positions> <ul style="list-style-type: none"> • Research Associate of Centre for Business Research, University of Cambridge
Senior Audit & Supervisory Board Member (Full-time)	Naori Fukuda	
Senior Audit & Supervisory Board Member (Full-time)	Hiroshi Fujioka	<Major concurrent positions> <ul style="list-style-type: none"> • Audit Committee Member (Outside Director) of The Nishi-Nippon City Bank, Ltd.
Audit & Supervisory Board Member (Full-time)	Shinichi Kawatani	
Audit & Supervisory Board Member	Mutsutake Otsuka	<Major concurrent positions> <ul style="list-style-type: none"> • Advisor of East Japan Railway Company • Outside Director of JXTG Holdings, Inc. • Outside Director of NIPPON STEEL & SUMITOMO METAL CORPORATION
Audit & Supervisory Board Member	Kiyoshi Nakanishi	<Major concurrent positions> <ul style="list-style-type: none"> • Adviser of GENESIS RESEARCH INSTITUTE, INC. • Audit & Supervisory Board Member of Toyota Technocraft Co., Ltd.

- Notes: 1. Mr. 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 has no special relationship with the Company.
3. Mr. Tomonori Ito, 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.
4. Graduate School of International Corporate Strategy, Hitotsubashi University, PARCO CO., LTD. and Aozora Bank, Ltd. have no special relationship with the Company.
5. Graduate School of International Corporate Strategy, Hitotsubashi University was reorganized as Graduate School of Business Administration, Hitotsubashi University as of April 1, 2018.
6. Mr. John Buchanan, 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.
7. Centre for Business Research, University of Cambridge has no special relationship with the Company.
8. Mr. Hiroshi Fujioka, who serves as an Outside Audit & Supervisory Board Member of the Company, was appointed by the Company as an independent director/auditor specified in the regulations of the Tokyo Stock Exchange.
9. Mr. Hiroshi Fujioka, 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 long experience in the administration of fiscal and financial issues, etc.

10. The Nishi-Nippon City Bank, Ltd. has no special relationship with the Company.
11. Mr. Shinichi Kawatani, who serves as an Audit & Supervisory Board Member of the Company, has a high level of knowledge in the area of finance and accounting as he has had long experience in the departments of accounting & finance in the Company.
12. Mr. Mutsutake Otsuka, who serves as an Outside Audit & Supervisory Board Member of the Company, was appointed by the Company as an independent director/auditor specified in the regulations of the Tokyo Stock Exchange.
13. East Japan Railway Company and JXTG Holdings, Inc. have no special relationship with the Company.
14. NIPPON STEEL & SUMITOMO METAL CORPORATION and the Company established, by joint capital investment, "Kashima Power Co., Ltd.," to promote a plan to construct a coal-fired thermal power plant (645 MW).
15. Mr. Kiyoshi Nakanishi, who serves as an Outside Audit & Supervisory Board Member of the Company, was appointed by the Company as an independent director/auditor specified in the regulations of the Tokyo Stock Exchange.
16. GENESIS RESEARCH INSTITUTE, INC. and Toyota Technocraft Co., Ltd. have no special relationship with the Company.
17. Toyota Technocraft Co., Ltd. merged with J-TACS Corporation, and Toyota Modellista International Corporation to become TOYOTA CUSTOMIZING & DEVELOPMENT Co., Ltd. as of April 1, 2018.

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

Category	Number of Persons	Total Amount
Directors (Outside Directors)	16 (3)	442 million yen (28 million yen)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	6 (3)	116 million yen (49 million yen)
Total	22	558 million yen

- Notes: 1. The Directors' remuneration includes a performance-linked bonus of 49 million yen for this fiscal year.
 2. The number of Directors and the number of Audit & Supervisory Board Members include two Directors and one Audit & Supervisory Board Member, respectively, who retired from office at the end of 65th Ordinary General Meeting of Shareholders held on June 28, 2017.

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 under “1. Directors and Audit & Supervisory Board Members” on pages 31 to 33.

(2) Key Activities in this Fiscal Year

Name (Title)	Key Activities
Go Kajitani (Outside Director)	Has attended 12 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 at law.
Tomonori Ito (Outside Director)	Has attended 12 of the 12 Board of Directors meetings and made comments primarily based on his distinguished knowledge and a wide range of experience acquired through abundant experience in investment banking business both inside and outside Japan, and researches in financial theory.
John Buchanan (Outside Director)	Has attended 12 of the 12 Board of Directors meetings and made comments primarily based on his distinguished knowledge and a wide range of experience acquired through abundant experience in investment advisory business both inside and outside Japan, and researches concerning corporate governance.
Hiroshi Fujioka (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 administration of fiscal and financial issues, etc.
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 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.

(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	100 million yen
Total amount owed to Accounting Auditor by the Company and its subsidiaries in the form of cash or other financial benefit	162 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. After receiving from the Accounting Auditor of the accounting audit plan for the current fiscal year including the number of days for audit and the allocation of personnel, the verification and assessment of the actual audit in the previous fiscal year, the appropriateness of the audit conducted by the Accounting Auditor, and the grounds for calculating the estimate providing the basis for the remuneration and scrutinizing the details thereof, the Audit & Supervisory Board gave its consent to the amount of Accounting Auditor remuneration.
3. Of the Company's major 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 the introduction of the International Accounting Standards, 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-re-election of Accounting Auditors

When it is acknowledged that an Accounting Auditor is subject to the Items of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board will discharge the Accounting Auditor with the consent of all Audit & Supervisory Board Members. Besides the foregoing, if the Accounting Auditor is deemed unable to adequately perform its duties, or there is another justifiable reason, the Audit & Supervisory Board shall decide the details of a proposal on the discharge or non-re-election of the Accounting Auditor to be presented to the General Meeting of Shareholders.

V Corporate Structure and Policies

1. Systems for Ensuring Appropriate Business Operations and Operation Status of the System

(1) Systems for Ensuring Appropriate Business Operations

Details of the systems for ensuring appropriate business operations (basic policy) resolved by the Board of Directors of the Company are as follows:

(a) Systems for Ensuring Proper Execution of Duties 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. With respect to the system for promoting compliance, the Company appointed an Executive Vice President in charge of compliance who shall assist the Chairman and President and execute business operations promoting compliance; and, 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, it has set up the “Company-wide Compliance Action Committee” chaired by the Chairman, which is supported by two subcommittees, one on company-wide compliance promotion activities and one 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. The “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 of the Company and its subsidiaries to seek advice on compliance issues, while providing thorough protection of them. 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.

(b) Systems for Maintaining and Managing Information Concerning the Directors’ Execution of Duties

Directors with special titles and Executive Officers shall regularly, and whenever required, report on situations involving the execution of duties 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 duties shall also be appropriately drafted, maintained, and managed in accordance with internal regulations.

(c) 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.

(d) Systems for Ensuring that Directors Efficiently Execute Duties

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 meetings attended by all Directors with special titles, 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 and essential matters concerning the execution of business operations on a case-by-case basis relevant to matters to be proposed in the Board of Directors’ meetings and the President and Executive Vice President’s execution of business operations on the basis of policies decided by the Board of Directors.

In addition to the allocation of functions through the Board of Directors and the Executive 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 Directors with special titles and Executive Officers.

(e) 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.

(f) Matters Concerning Employees when Audit & Supervisory Board Members Request the Placement of Said Employees to Assist Duties; Matters Concerning the Independence of Said Employees from the Directors; and Matters Concerning the Effectiveness of Instructions from Audit & Supervisory Board Members to Said Employees

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.

(g) Systems Whereby Directors and Employees, etc. of the Company and Its Subsidiaries Report to Audit & Supervisory Board Members and Other Systems Involving Reports Made to Audit & Supervisory Board Members; and Systems to Ensure That Those Who Reported to Audit & Supervisory Board Members Will Not Be Given Unfavorable Treatment Due to Said Reporting

The following shall be reported by Directors and employees, etc. of the Company and its subsidiaries to Audit & Supervisory Board Members. It shall also be ensured that those who reported to Audit & Supervisory Board Members will not be given unfavorable treatment due to said reporting:

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

(h) Matters Concerning Procedures for Prepayment or Reimbursement of Expenses Arising from Execution of Duties by Audit & Supervisory Board Members and Other Policy for Treatment of Expenses and Liabilities Arising from Execution of Said Duties

Necessary expenses shall be budgeted in advance for the execution of duties by Audit & Supervisory Board Members and those expensed urgently or temporarily shall also be reimbursed.

(i) 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, the Executive Committee, and other such business meetings, as well as to hear about the status concerning the execution of duties 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) Operation Status of Systems for Ensuring Appropriate Business Operations

The outline of the operation status of the systems above during the current fiscal year is as follows:

(a) Status of Efforts Made Concerning Compliance

In accordance with the “J-POWER Corporate Philosophy” and the “J-POWER Codes of Conduct for Corporate Activities,” the Company endeavors to develop a spirit of compliance with the law and an ethical outlook. We also ensure transparency of management for the whole Group through the clarification of procedures for resolutions and the authorities of those in charge of each department of the Group.

To promote compliance, the Company continuously conducts deliberations on measures to promote compliance in the whole company and evaluates their implementation through all meeting bodies, including the Company-wide Compliance Action Committee, and compliance-related activities. In addition, the Company strives to prevent breaches of laws and regulations, and the Articles of Incorporation while appropriately addressing compliance violations through the implementation of employee education and the development of a whistle-blowing system.

(b) Execution of Duties by Directors and Employees

To discuss and decide essential Company-wide matters, meetings of the Board of Directors and the Executive Committee are held as necessary. In addition, regarding their contents, the Company appropriately records, maintains and manages meeting minutes, etc. in accordance with laws and regulations as well as internal regulations.

Directors with special titles and Executive Officers report on situations involving the execution of duties to the Board of Directors and the Executive Committee every month.

(c) Risk Control

The Company has established and implements provisions in internal regulations for prevention, reduction, and control of risks concerning individual businesses.

When making decisions on essential Company-wide matters, the Board of Directors and the Executive Committee fully discuss risks and measures to avoid them.

In order to ensure appropriate execution of business operations, the Internal Audit Department, being functionally separated from other departments of the Company, independently conducts internal audit activities. The Internal Audit Department does so

based on the annual internal audit plan which is formulated by taking into consideration various issues in management and the results of audit in the previous fiscal year, etc.

(d) Management of Affiliated Companies

In accordance with internal regulations, the Company manages affiliated companies by approving their business executions or receiving reports, according to their importance.

Audit & Supervisory Board Members and the Internal Audit Department implement audits on affiliated companies with the objective of ensuring the propriety of their business operations.

(e) Execution of Duties by Audit & Supervisory Board Members

Audit & Supervisory Board Members implement audits by themselves by attending meetings of the Board of Directors and the Executive Committee and other such business meetings, as well as investigating all company institutions and major subsidiaries. Audit & Supervisory Board Members also improve the effectiveness of audits by closely cooperating with the Internal Audit Department and the Accounting Auditor to exchange information and opinions.

If there occur events with the potential to inflict significant losses on the Company, Directors, etc. report to Audit & Supervisory Board Members. It is also ensured that those who made such reporting are not given unfavorable treatment due to the reporting.

In order to assist in the duties of Audit & Supervisory Board Members, the Audit & Supervisory Board Members' Office has been set up independent of the chain of command of the Directors, and a necessary exclusive staff has been assigned. In addition, regulations for procedures for prepayment or reimbursement of expenses arising from the execution of duties by the Audit & Supervisory Board Members of the Company have been established and appropriately implemented.

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 people's needs for energy without fail, and play its part for the sustainable development of Japan and the rest of 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 plants 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, 2018)

(millions of yen)

Assets	
Non-current assets	2,320,012
Electric utility plant and equipment	951,149
Hydroelectric power production facilities	346,719
Thermal power production facilities	305,191
Internal combustion engine power production facilities	3,029
Renewable power production facilities	50,784
Transmission facilities	153,180
Transformation facilities	29,718
Communication facilities	8,375
General facilities	54,148
Overseas business facilities	341,418
Other non-current assets	93,404
Construction in progress	525,740
Construction and retirement in progress	525,740
Nuclear fuel	73,800
Nuclear fuel in processing	73,800
Investments and other assets	334,500
Long-term investments	256,715
Deferred tax assets	42,501
Investments and other assets	35,283
Current assets	327,209
Cash and deposits	129,675
Notes and accounts receivable - trade	91,432
Short-term investments	9,045
Inventories	52,368
Deferred tax assets	5,411
Other current assets	39,322
Allowance for doubtful accounts	(46)
Total assets	2,647,221

CONSOLIDATED BALANCE SHEETS (as of March 31, 2018) *(Continued)*

(millions of yen)

Liabilities	
Non-current liabilities	1,561,922
Bonds payable	554,991
Long-term loans payable	875,043
Lease obligations	368
Other provision	152
Net defined benefit liability	55,176
Asset retirement obligations	28,484
Deferred tax liabilities	22,437
Other non-current liabilities	25,266
Current liabilities	249,174
Current portion of non-current liabilities	114,307
Short-term loans payable	16,803
Notes and accounts payable - trade	25,539
Accrued taxes	26,303
Other provision	292
Asset retirement obligations	341
Deferred tax liabilities	73
Other current liabilities	65,512
Total liabilities	1,811,096
Net Assets	
Shareholders' equity	745,176
Capital stock	180,502
Capital surplus	119,927
Retained earnings	444,753
Treasury stock	(6)
Accumulated other comprehensive income	42,114
Valuation difference on available-for-sale securities	16,822
Deferred gains or losses on hedges	(6,580)
Foreign currency translation adjustment	30,960
Remeasurements of defined benefit plans	912
Non-controlling interests	48,833
Total net assets	836,124
Total liabilities and net assets	2,647,221

CONSOLIDATED STATEMENTS OF INCOME (from April 1, 2017 to March 31, 2018)

(millions of yen)

Ordinary revenue	
Operating revenue	856,252
Electric utility operating revenue	631,923
Overseas business operating revenue	163,084
Other business operating revenue	61,244
Non-operating income	29,113
Dividend income	1,577
Interest income	1,287
Equity in earnings of affiliates	9,721
Foreign exchange gains	11,179
Other	5,347
Total ordinary revenue	885,366
Ordinary expenses	
Operating expenses	751,916
Electric utility operating expenses	566,143
Overseas business operating expenses	131,251
Other business operating expenses	54,521
[Operating income	104,336]
Non-operating expenses	30,974
Interest expenses	28,387
Other	2,586
Total ordinary expenses	782,890
Ordinary income	102,476
Extraordinary losses	3,389
Impairment loss	3,389
Profit before income taxes	99,086
Income taxes - current	20,124
Income taxes - deferred	(3,700)
Profit	82,662
Profit attributable to non-controlling interests	14,213
Profit attributable to owners of parent	68,448

(Reference)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(from April 1, 2017 to March 31, 2018)

(millions of yen)

Profit	82,662
Other comprehensive income	
Valuation difference on available-for-sale securities	1,229
Deferred gains or losses on hedges	(4,134)
Foreign currency translation adjustment	10,385
Remeasurements of defined benefit plans, net of tax	1,341
Share of other comprehensive income of entities accounted for using equity method	812
Total other comprehensive income	9,634
Comprehensive income	92,297
(Comprehensive income attributable to abstract)	
Comprehensive income attributable to owners of parent	76,286
Comprehensive income attributable to non-controlling interests	16,010

NON-CONSOLIDATED BALANCE SHEETS (as of March 31, 2018)

(millions of yen)

Assets	
Non-current assets	1,933,261
Electric utility plant and equipment	921,000
Hydroelectric power production facilities	358,916
Thermal power production facilities	311,298
Transmission facilities	155,982
Transformation facilities	31,097
Communication facilities	9,022
General facilities	54,683
Incidental business facilities	2,029
Non-operating facilities	452
Construction in progress	533,741
Construction in progress	531,567
Retirement in progress	2,174
Nuclear fuel	73,800
Nuclear fuel in processing	73,800
Investments and other assets	402,235
Long-term investments	65,105
Long-term investment for subsidiaries and affiliates	284,479
Long-term prepaid expenses	28,011
Deferred tax assets	24,756
Allowance for doubtful accounts	(116)
Current assets	142,444
Cash and deposits	10,550
Accounts receivable - trade	50,026
Other accounts receivable	1,932
Short-term investments	9,000
Supplies	39,350
Prepaid expenses	2,764
Short-term receivables from subsidiaries and affiliates	5,835
Deferred tax assets	3,449
Other current assets	20,447
Allowance for doubtful accounts	(913)
Total assets	2,075,706

NON-CONSOLIDATED BALANCE SHEETS (as of March 31, 2018) *(Continued)*

(millions of yen)

Liabilities	
Non-current liabilities	1,226,571
Bonds payable	554,991
Long-term loans payable	607,250
Long-term accrued liabilities	5,269
Lease obligations	157
Long-term debt to subsidiaries and affiliates	1,652
Provision for retirement benefits	46,340
Asset retirement obligations	6,231
Other non-current liabilities	4,677
Current liabilities	258,207
Current portion of non-current liabilities	94,210
Short-term loans payable	16,650
Accounts payable - trade	7,233
Accounts payable - other	12,035
Accrued expenses	12,833
Accrued taxes	13,892
Deposits received	491
Short-term debt to subsidiaries and affiliates	97,507
Other advances	201
Other current liabilities	3,152
Total liabilities	1,484,778

NON-CONSOLIDATED BALANCE SHEETS (as of March 31, 2018) *(Continued)*

(millions of yen)

Net Assets	
Shareholders' equity	574,753
Capital stock	180,502
Capital surplus	109,904
Legal capital surplus	109,904
Retained earnings	284,352
Legal retained earnings	6,029
Other retained earnings	278,323
Reserve for special disaster	72
Exchange-fluctuation preparation reserve	1,960
General reserve	222,861
Retained earnings brought forward	53,429
Treasury stock	(6)
Valuation and translation adjustments	16,174
Valuation difference on available-for-sale securities	15,592
Deferred gains or losses on hedges	581
Total net assets	590,927
Total liabilities and net assets	2,075,706

NON-CONSOLIDATED STATEMENTS OF INCOME (from April 1, 2017 to March 31, 2018)

(millions of yen)

Ordinary revenue	
Operating revenue	614,591
Electric utility operating revenue	601,475
Sold power to other suppliers	545,659
Transmission revenue	48,679
Other electricity revenue	7,136
Incidental business operating revenue	13,115
Operating revenue - consulting business	1,687
Operating revenue - coal sale business	10,357
Operating revenue - other businesses	1,070
Non-operating income	27,036
Financial revenue	25,846
Dividends income	25,000
Interest income	846
Non-operating revenue	1,190
Gain on sales of non-current assets	12
Miscellaneous revenue	1,177
Total ordinary revenue	641,628
Ordinary expenses	
Operating expenses	571,519
Electric utility operating expenses	559,300
Hydroelectric power production expenses	58,562
Thermal power production expenses	388,300
Purchased power from other suppliers	6,588
Transmission expenses	23,485
Transformation expenses	6,175
Selling expenses	970
Communicating expenses	4,342
General and administrative expenses	62,998
Expenses for third party's power transmission service	179
Enterprise tax	7,697

NON-CONSOLIDATED STATEMENTS OF INCOME

(from April 1, 2017 to March 31, 2018) (Continued)

	(millions of yen)
Incidental business operating expenses	12,219
Operating expenses - consulting business	1,165
Operating expenses - coal sale business	10,295
Operating expenses - other businesses	759
[Operating income	43,071]
Non-operating expenses	17,648
Financial expenses	14,526
Interest expenses	14,159
Bond issuance cost	366
Non-operating expenses	3,122
Loss on sales of non-current assets	1
Miscellaneous expenses	3,120
Total ordinary expenses	589,168
Ordinary income	52,460
Extraordinary losses	3,205
Impairment loss	3,205
Profit before income taxes	49,254
Income taxes	7,316
Income taxes-current	10,350
Income taxes-deferred	(3,033)
Profit	41,938

THE AUDIT REPORT OF INDEPENDENT AUDITORS
CONCERNING THE CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Auditors

May 10, 2018

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

Ernst & Young ShinNihon LLC
Hidehito Uchida
Certified Public Accountant
Designated and Engagement Partner
Koki Takahashi
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Paragraph 4 of the Companies Act, 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 66th fiscal year from April 1, 2017 through March 31, 2018.

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 66th fiscal year ended March 31, 2018 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, 2018

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

Ernst & Young ShinNihon LLC
Hidehito Uchida
Certified Public Accountant
Designated and Engagement Partner
Koki Takahashi
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, 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 66th fiscal year from April 1, 2017 through March 31, 2018.

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 66th fiscal year ended March 31, 2018 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 66th fiscal year, from April 1, 2017 to March 31, 2018. This Audit Report was prepared as the consensus of opinion of all Audit & Supervisory Board Members, based on reports prepared by each Audit & Supervisory Board Member, and as a result of subsequent deliberations.

1. Method of the audits by the individual Audit & Supervisory Board Members and the Audit & Supervisory Board; content of audits
 - (1) 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 from the Directors and the Accounting Auditors regarding the performance of their duties, and requested explanations from them as necessary.
 - (2) 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, and audits were implemented as follows:
 - (i) Audit & Supervisory Board Members 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. Regarding subsidiaries, Audit & Supervisory Board Members worked to communicate with Directors, Audit & Supervisory Board Members, and other parties at those subsidiaries, and when necessary conducted hearings regarding the status of their performance of duties, including surveys of operations and assets.
 - (ii) Audit & Supervisory Board Members were responsible for monitoring and verifying the status of creation and operation of various corporate structures, including those necessary to ensure that Directors’ duties are executed in compliance with laws and regulations, and the Articles of Incorporation, and those needed for ensuring the fair performance of operations of the J-POWER Group comprising the Company as a stock corporation and its subsidiaries 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).
 - (iii) Additional consideration was given to the policies set forth in Article 118, Item 3 (a) 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.
 - (iv) 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

Business Report and supplemental statements, 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 duties by 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, 2018

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

Naori Fukuda (seal)
Senior Audit & Supervisory Board Member
(Full-time)

Hiroshi Fujioka (seal)
Senior Audit & Supervisory Board Member
(Full-time)

Shinichi Kawatani (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 Hiroshi Fujioka, 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.