



January 31, 2014
Electric Power Development Co., Ltd.

Posting of Non-operating Expenses (Foreign Exchange Losses) in a Subsidiary

Electric Power Development Co., Ltd. (“J-POWER”) announces that Gulf JP Company Limited (“GJP”), a consolidated subsidiary of J-POWER, is expected to post foreign exchange losses estimated at approximately 11 billion yen related to valuation of foreign currency-denominated debt and forward exchange contracts for the fiscal year ending March 31, 2014.

1. Overview of GJP

- (1) Location: Bangkok, Thailand
- (2) Representative: Mr. Sarath Ratanavadi, President
- (3) J-POWER’s ownership: 90%
- (4) Share capital: 19 billion baht
- (5) Settlement date: December 31

2. Details

J-POWER operates seven 100MW-class gas-fired power plants and is currently developing two 1,600MW gas-fired power plants in Thailand through its subsidiary GJP.

While revenues generated from electric power sales of these nine projects are denominated in Thai baht, a portion of these revenues is adjusted on the basis of U.S. dollar exchange fluctuations. Therefore, loans related to the projects are denominated in both Thai baht and U.S. dollars to ensure the certainty of repayment of the debt. Since U.S. dollar-denominated debt represents foreign currency-denominated debt for GJP, which is a Thai corporation, the differences in currency conversion to Thai baht during each settlement period are recorded as either foreign exchange losses or gains.

Furthermore, because the currencies of a portion of payments related to construction of the electric power plants differ from the currencies of the procurement funds, J-POWER ensures the certainty of payments through forward exchange contracts. The translation differences for these at clearing or each settlement period are also posted as either foreign exchange gains or losses.

Due to the recent fluctuation in exchange rates, we anticipate posting foreign exchange losses estimated at approximately 11 billion yen related to valuation of foreign currency-denominated debt and forward exchange contracts.

3. Earnings Forecast

J-POWER has revised its earnings forecast for the fiscal year ending March 31, 2014 announced on October 31, 2013 due to the posting of foreign exchange losses and other factors. Please refer to the quarterly financial results for the nine months ended December 31, 2013 released today (January 31, 2014).

[Reference]

- Overview of seven 100MW-class gas-fired power plants

Fuel	Location	Output	Project Company	COD ¹
Gas ²	Saraburi	110MW	Gulf JP KP1 Co., Ltd.	January 5, 2013
		110MW	Gulf JP KP2 Co., Ltd.	February 1, 2013
		110MW	Gulf JP TLC Co., Ltd.	March 1, 2013
	Chachoengsao	110MW	Gulf JP NNK Co., Ltd.	April 1, 2013
	Rayong	120MW	Gulf JP NLL Co., Ltd.	May 1, 2013
	Pathum Thani	110MW	Gulf JP CRN Co., Ltd.	July 1, 2013
	Saraburi	120MW	Gulf JP NK2 Co., Ltd.	October 1, 2013

- Overview of two 1,600MW-class gas-fired power plants

Fuel	Location	Output	Project Name	COD ¹
Gas ²	Saraburi	1,600MW (800 MW×2 units)	Nong Saeng IPP	Unit 1: June 2014
				Unit 2: December 2014
	Phra Nakhon Si Ayutthaya	1,600MW (800 MW×2 units)	U-Thai IPP	Unit 1: June 2015
				Unit 2: December 2015

1 Commercial operation date

2 Gas turbine combined cycle power generation