

This is an English translation of the Quarterly Financial Results (*Kessan Tanshin*) filed with the Tokyo Stock Exchange on July 31, 2014. Please note that if there is any discrepancy, the original Japanese version will take priority.



(English Translation)

Quarterly Financial Results (Unaudited) (for the Three Months Ended June 30, 2014)

July 31, 2014

Electric Power Development Co., Ltd. (J-POWER)

Listed exchange: Tokyo Stock Exchange (Code: 9513)

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Scheduled date for filing of a quarterly report: August 4, 2014

Scheduled date of dividend payment commencement: Not applicable

Preparation of supplementary explanations material: Yes

Quarterly financial results presentation held: No

(Note) All monetary values are rounded down to the nearest units as indicated in each table.

1. Consolidated Financial Results (From April 1, 2014 to June 30, 2014)

(1) Consolidated Operating Results

(Percentages (%) represent changes from the same period of the previous year)

	Operating revenues		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2014	159,739	(1.3)	17,512	(21.4)	17,201	(17.6)	12,412	(24.0)
Three months ended June 30, 2013	161,811	10.0	22,282	55.5	20,870	71.9	16,328	104.8

(Note) Comprehensive income: Three months ended June 30, 2014 10,688 million yen (74.9)%
Three months ended June 30, 2013 42,597 million yen 192.0 %

	Net income per share	Fully diluted net income per share
	yen	yen
Three months ended June 30, 2014	82.72	—
Three months ended June 30, 2013	108.82	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
Three months ended June 30, 2014	2,411,857	524,092	21.6
Year ended March 31, 2014	2,385,216	519,477	21.6

(Reference) Shareholders' equity: Three months ended June 30, 2014 520,333 million yen
Year ended March 31, 2014 516,211 million yen

2. Dividends

	Cash dividends per share				
	Record date				Annual
	Jun. 30	Sep. 30	Dec. 31	Mar. 31	
	yen	yen	yen	yen	yen
Year ended March 31, 2014	—	35.00	—	35.00	70.00
Year ending March 31, 2015	—				
Year ending March 31, 2015 (forecasts)		35.00	—	35.00	70.00

(Note) Revisions to dividends forecasts in the current quarter: None

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2015 (From April 1, 2014 to March 31, 2015)

(Percentages (%) represent changes from the same period of the previous year)

	Operating revenues		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Six months ending Sep 30, 2014	351,000	1.2	29,000	(18.5)	21,000	(20.7)	15,000	(20.4)	99.97
Year ending March 31, 2015	732,000	3.6	57,000	(3.7)	45,000	12.3	33,000	15.0	219.92

(Note) Revisions to consolidated earnings forecasts in the current quarter: None

4. Other Information

- (1) Principal subsidiaries subject to changes: None
- (2) Application of accounting methods which are exceptional for quarterly consolidated financial statements: None
- (3) Changes in accounting policies, accounting estimates and restatement of corrections
 - 1) Changes in accounting policies due to revisions of accounting standards etc.: Yes
 - 2) Changes in accounting policies except 1): None
 - 3) Changes in accounting estimates: None
 - 4) Restatement of corrections: None

Note: For the details, please refer to "Summary Information" on page 4.

- (4) Number of shares issued (common stock)
 - 1) Number of shares issued at the end of the period (including treasury stock)

Three months ended June 30, 2014:	166,569,600
Year ended March 31, 2014:	166,569,600
 - 2) Treasury stock at the end of the period

Three months ended June 30, 2014:	16,518,391
Year ended March 31, 2014:	16,518,311
 - 3) Average number of shares outstanding during the period

Three months ended June 30, 2014:	150,051,254
Three months ended June 30, 2013:	150,052,125

* Presentation for quarterly review procedures

- At the time of disclosure of this report, review procedures for financial statements pursuant to the Financial Instruments and Exchange Act had not been completed.

* Forward-looking statements and other special notes

- The earnings forecasts are forward-looking statements made on the basis of available information current at the time forecasts are made and contain uncertain elements. Therefore, actual earnings may differ from forecast figures as a result of changes in business performance and other factors.
- The supplementary explanation material is available on our website at <http://www.jpowers.co.jp/english/> under the investor relations section.

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1. Qualitative Information on Consolidated Financial Results

(1) Qualitative Information on Consolidated Operating Results

1) Electricity Sales Volume

In the wholesale electric power business, electricity sales volume from hydroelectric power plants for the three months ended June 30, 2014 showed 2.6% increase at 2.3 TWh although the water supply rate decreased from 91% in the same period of the previous fiscal year to 81%. This was mainly due to the use of high water supply at the end of the previous fiscal year. In thermal power, a decrease in the load factor of the thermal power plants from 64% to 61% resulted in 5.2% decrease in electricity sales volume from the same period of the previous fiscal year to 10.4 TWh. As a result, total electricity sales volume from both hydroelectric and thermal power plants in the wholesale electric power business decreased 3.9% from the same period of the previous fiscal year to 12.7 TWh. Electricity sales volume in the other electric power businesses increased 20.1% from the same period of the previous fiscal year to 0.5 TWh, due mainly to the inclusion of Mihama Seaside Power, which became a consolidated subsidiary from September 2013. As a result, electricity sales volume in the electric power business as a whole decreased 3.1% to 13.3 TWh.

Also, electricity sales volume in the overseas business increased 243.1% from the same period of the previous fiscal year to 1.2 TWh. This was due to the commencement of commercial operation for all 7 Small Power Producers (SPP*) in Thailand where only 3 sites were operational during the same period of the previous fiscal year.

*SPP program: The long-term power purchase scheme established by the Thai Government. This scheme promotes cogeneration systems, renewable energy, and so forth, and aims at reducing the import and use of fuel oil. Electricity Generating Authority of Thailand(EGAT) guarantees the purchase of electricity generated from eligible suppliers up to 90MW of capacity.

2) Overview of Income and Expenditures

Although all 7 SPP sites commenced operation in Thailand, sales (operating revenues) decreased 1.3% from the same period of the previous fiscal year to 159.7 billion yen. This was mainly due to a decrease of the load factor of thermal power plants in the wholesale electric power business, lower fuel prices and the influence of the low pressure turbine accident in No.2 unit at the Matsuura Thermal Power Plant. Furthermore, total ordinary revenue including non-operating income for the three months also decreased 1.3% from the same period of the previous fiscal year to 165.9 billion yen.

At the same time, despite a decrease in fuel prices and in load factor of the thermal power plants resulted in a decrease of fuel costs in wholesale electric power business, operating expenses increased 1.9% from the same period of the previous fiscal year to 142.2 billion yen. This was mainly due to an increase of fuel costs with the commencement of operation in all 7 SPP in Thailand. In addition, total ordinary expenses including non-operating expenses for the three months increased 1.0% from the same period of the previous fiscal year to 148.7 billion yen.

As a result, ordinary income decreased 17.6% from the same period of the previous fiscal year to 17.2 billion yen and net income after corporate tax decreased 24.0% from the same period of the previous fiscal year to 12.4 billion yen.

(2) Qualitative Information on Consolidated Financial Position

Total assets increased 26.6 billion yen from the end of the previous fiscal year to 2.4118 trillion yen due to increased capital investment for projects in Thailand and other factors.

Meanwhile, total liabilities increased 22.0 billion yen from the end of the previous fiscal year to 1.8877 trillion yen. Interest-bearing debt increased 31.6 billion yen from the end of the previous fiscal year to 1.6816 trillion yen. Non-recourse loans accounted for 262.4 billion yen of interest-bearing debt (of which 260.5 billion yen was in overseas business).

Furthermore, total net assets increased 4.6 billion yen from the end of the previous fiscal year to 524.0 billion yen, due mainly to the posting of net income for the three months. As a result, the shareholders' equity ratio accounted 21.6%.

(3) Qualitative Information on Consolidated Earnings Forecasts

There is no change in our previous forecasts announced on May 29, 2014.

2. Summary Information (Notes)

Changes in Accounting Policies, Changes in Accounting Estimates and Restatement of Corrections

Changes in Accounting Policy

Regarding the “Accounting Standards for Retirement Benefits (Corporate Accounting Standard No.26 of May 17, 2012, hereafter referred to as the “Retirement Benefit Accounting Standards”) and the “Guidelines for Applying Accounting Standards for Retirement Benefits” (Corporate Accounting Standard Application Guideline No.25 of May 17, 2012, hereafter referred to as the “Retirement Benefit Application Guidelines”), the provisions set forth in the main text of Paragraph 35 of the Retirement Benefit Accounting Standards and the main text of Paragraph 67 of the Retirement Benefits Application Guidelines are applied from the three months ended June 30, 2014. Calculation methods for retirement obligation benefit and service cost have been revised and the method of allocation of estimated retirement benefit has been changed from the straight line method to the payment calculation method. At the same time, the determination method for discount rates has been changed from the method in which discount rates are determined on the basis of bonds that have similar remaining period as the average remaining employment period to the method in which a single weight-average discount rate is used that reflects estimated payment period for retirement benefit and payment amount for each period.

Application of Retirement Benefit Accounting Standards and similar items are handled transitionally as specified in Paragraph 37 of the Retirement Benefit Accounting Standards, and the impacted amounts due to changes in the calculation method for retirement obligation benefit and service costs are accounted for by adjusting retained earnings at the beginning of the first quarter of the consolidated accounting year.

As a result, at the start of the first quarter of the consolidated fiscal year, net defined benefit liability increased by 1.945 billion yen and retained earnings have decreased by 1.471 billion yen. Please note that this change will have a minimal effect on profit and loss.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: million yen)

	As of Mar. 31, 2014	As of Jun. 30, 2014
Assets		
Noncurrent assets	2,149,579	2,157,612
Electric utility plant and equipment	1,023,751	1,016,405
Hydroelectric power production facilities	355,616	353,165
Thermal power production facilities	362,307	358,924
Internal combustion engine power production facilities	5,414	5,331
Renewable power production facilities	36,698	35,760
Transmission facilities	176,102	174,090
Transformation facilities	30,482	29,897
Communication facilities	8,596	8,344
General facilities	48,532	50,890
Overseas business facilities	125,018	122,817
Other noncurrent assets	109,787	111,242
Construction in progress	512,604	526,705
Construction and retirement in progress	512,604	526,705
Nuclear fuel	69,216	70,445
Nuclear fuel in processing	69,216	70,445
Investments and other assets	309,201	309,997
Long-term investments	244,181	244,023
Deferred tax assets	40,734	39,687
Other	24,331	26,331
Allowance for doubtful accounts	(45)	(45)
Current assets	235,636	254,244
Cash and deposits	50,333	56,263
Notes and accounts receivable-trade	70,135	66,912
Short-term investments	35,000	42,000
Inventories	34,053	38,521
Deferred tax assets	8,637	8,210
Other	37,477	42,335
Allowance for doubtful accounts	(0)	-
Total assets	2,385,216	2,411,857

(Unit: million yen)

	As of Mar. 31, 2014	As of Jun. 30, 2014
Liabilities		
Noncurrent liabilities	1,522,905	1,546,894
Bonds payable	691,346	681,349
Long-term loans payable	741,509	774,593
Lease obligations	981	919
Other provision	43	46
Net defined benefit liability	49,071	50,588
Asset retirement obligations	6,644	6,696
Deferred tax liabilities	14,730	14,567
Other	18,579	18,132
Current liabilities	342,714	340,870
Current portion of noncurrent liabilities	207,968	213,114
Short-term loans payable	20,318	24,302
Notes and accounts payable-trade	33,197	30,060
Accrued taxes	8,791	7,543
Other provision	302	211
Asset retirement obligations	245	251
Deferred tax liabilities	9	6
Other	71,880	65,380
Reserves under the special laws	119	-
Reserve for fluctuation in water levels	119	-
Total liabilities	1,865,739	1,887,765
Net assets		
Shareholders' equity	478,860	484,549
Capital stock	152,449	152,449
Capital surplus	81,849	81,849
Retained earnings	307,829	313,518
Treasury stock	(63,268)	(63,268)
Accumulated other comprehensive income	37,350	35,784
Valuation difference on available-for-sale securities	9,030	11,252
Deferred gains or losses on hedges	1,772	66
Foreign currency translation adjustment	22,955	21,386
Remeasurements of defined benefit plans	3,592	3,079
Minority interests	3,265	3,758
Total net assets	519,477	524,092
Total liabilities and net assets	2,385,216	2,411,857

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated statements of income

(Unit: million yen)

	Three Months ended Jun. 30, 2013	Three Months ended Jun. 30, 2014
Operating revenue	161,811	159,739
Electric utility operating revenue	146,584	133,620
Overseas business operating revenue	4,147	14,531
Other business operating revenue	11,080	11,587
Operating expenses	139,529	142,226
Electric utility operating expenses	121,538	115,338
Overseas business operating expenses	5,366	14,083
Other business operating expenses	12,624	12,804
Operating income	22,282	17,512
Non-operating income	6,276	6,182
Dividends income	759	966
Interest income	204	245
Equity in earnings of affiliates	4,754	3,376
Other	556	1,594
Non-operating expenses	7,688	6,493
Interest expenses	5,840	6,088
Other	1,848	405
Total ordinary revenue	168,087	165,921
Total ordinary expenses	147,217	148,720
Ordinary income	20,870	17,201
Provision or reversal of reserve for fluctuation in water levels	(132)	(119)
Reversal of reserve for fluctuation in water levels	(132)	(119)
Extraordinary income	2,507	-
Insurance income	2,507	-
Income before income taxes and minority interests	23,509	17,321
Income taxes-current	3,668	2,799
Income taxes-deferred	3,662	1,971
Total income taxes	7,330	4,771
Income before minority interests	16,179	12,549
Minority interests in income (loss)	(149)	137
Net income	16,328	12,412

Consolidated statements of comprehensive income

	(Unit: million yen)	
	Three Months ended Jun. 30, 2013	Three Months ended Jun. 30, 2014
Income before minority interests	16,179	12,549
Other comprehensive income		
Valuation difference on available-for-sale securities	3,313	2,218
Deferred gains or losses on hedges	738	(1,780)
Foreign currency translation adjustment	13,570	754
Remeasurements of defined benefit plans, net of tax	-	(514)
Share of other comprehensive income of associates accounted for using equity method	8,795	(2,540)
Total other comprehensive income	26,418	(1,861)
Comprehensive income	42,597	10,688
(Comprehensive income attributable to abstract)		
Comprehensive income attributable to owners of the parent	42,384	10,846
Comprehensive income attributable to minority interests	213	(157)

(3) Notes on Premise of Going Concern

There are no applicable items.

(4) Notes on Significant Changes in Shareholders' Equity

There are no applicable items.

4. Appendixes

[Appendix 1]

Revenues and Expenses (Consolidated)

	Three months ended June 30, 2013 (A)	Three months ended June 30, 2014 (B)	(B) – (A)	(B-A)/A
	million yen	million yen	million yen	%
Operating revenue	161,811	159,739	(2,072)	(1.3)
Electric utility operating revenue	146,584	133,620	(12,963)	(8.8)
Electric power sales	133,388	120,994	(12,394)	(9.3)
Wholesale power business	125,919	111,427	(14,492)	(11.5)
Hydroelectric	27,404	27,482	77	0.3
Thermal	98,514	83,945	(14,569)	(14.8)
Other electric power businesses	7,469	9,567	2,097	28.1
Transmission revenue	12,942	12,320	(622)	(4.8)
Other electricity revenue	252	306	53	21.2
Overseas business operating revenue	4,147	14,531	10,384	250.4
Other business operating revenue	11,080	11,587	507	4.6
Operating expenses	139,529	142,226	2,697	1.9
Electric utility operating expenses	121,538	115,338	(6,199)	(5.1)
Personnel expense	7,052	6,559	(492)	(7.0)
Fuel cost	57,392	50,210	(7,182)	(12.5)
Repair expense	12,819	15,629	2,810	21.9
Consignment cost	6,601	6,815	214	3.2
Taxes and duties	6,501	6,243	(257)	(4.0)
Depreciation and amortization cost	20,151	19,646	(504)	(2.5)
Other	11,019	10,232	(786)	(7.1)
Overseas business operating expenses	5,366	14,083	8,717	162.5
Other business operating expenses	12,624	12,804	179	1.4
Operating income	22,282	17,512	(4,769)	(21.4)
Non-operating income	6,276	6,182	(93)	(1.5)
Dividend income	759	966	206	27.2
Interest income	204	245	40	19.8
Equity income of affiliates	4,754	3,376	(1,378)	(29.0)
Other	556	1,594	1,037	186.4
Non-operating expenses	7,688	6,493	(1,194)	(15.5)
Interest expenses	5,840	6,088	248	4.2
Other	1,848	405	(1,443)	(78.1)
Total ordinary revenue	168,087	165,921	(2,165)	(1.3)
Total ordinary expenses	147,217	148,720	1,502	1.0
Ordinary income	20,870	17,201	(3,668)	(17.6)
(Provision for) reversal of reserve for fluctuation in water levels	(132)	(119)	13	-
Extraordinary income	2,507	-	(2,507)	-
Income before income taxes and minority interests	23,509	17,321	(6,188)	(26.3)
Income taxes – current	3,668	2,799	(869)	(23.7)
Income taxes – deferred	3,662	1,971	(1,690)	(46.2)
Income before minority interests	16,179	12,549	(3,629)	(22.4)
Minority interests in income (loss)	(149)	137	286	-
Net income	16,328	12,412	(3,916)	(24.0)

[Appendix 2]

(1) Generation capacity

(Unit: kW)

	As of June 30, 2013 (A)	As of June 30, 2014 (B)	(B) – (A)
Electric power business	17,649,510	17,782,280	132,770
Wholesale electric power business	16,945,000	16,945,000	-
Hydroelectric	8,556,000	8,556,000	-
Thermal	8,389,000	8,389,000	-
Other electric power businesses (*1)	704,510	837,280	132,770
Overseas business (*2)	330,000	790,000	460,000
Total	17,979,510	18,572,280	592,770

(*1) Other electric power businesses include power plants for IPPs and PPSs etc, and wind power.

(*2) Overseas business includes power plants for SPP projects in Thailand.

(2) Electricity sales volume and revenues

(Unit: GWh, million yen)

	As of June 30, 2013 (A)		As of June 30, 2014 (B)		(B) – (A)	
	Electricity sales volume	Revenues	Electricity sales volume	Revenues	Electricity sales volume	Revenues
Electric power business	13,736	133,388	13,307	120,994	(429)	(12,394)
Wholesale electric power business	13,298	125,919	12,781	111,427	(517)	(14,492)
Hydroelectric	2,284	27,404	2,343	27,482	59	77
Thermal	11,014	98,514	10,437	83,945	(576)	(14,569)
Other electric power businesses (*1)	438	7,469	525	9,567	87	2,097
Overseas business (*2)	363	3,950	1,246	13,939	883	9,988
Total	14,099	137,339	14,553	134,933	453	(2,406)

(*1) Other electric power businesses include power plants for IPPs and PPSs etc, and wind power.

(*2) Overseas business includes power plants for SPP projects in Thailand.

(3) Water supply rate

(Unit: %)

	As of June 30, 2013 (A)	As of June 30, 2014 (B)	(B) – (A)
Water supply rate	91	81	(10)

[Appendix 3]

Revenues and Expenses (Non-Consolidated)

	Three months ended June 30, 2013 (A)	Three months ended June 30, 2014 (B)	(B) – (A)	(B-A)/A
	million yen	million yen	million yen	%
Operating revenue	140,909	126,839	(14,070)	(10.0)
<u>Electric utility operating revenue</u>	139,524	124,568	(14,955)	(10.7)
<u>Electric power sales</u>	125,919	111,535	(14,383)	(11.4)
Hydroelectric	27,404	27,482	77	0.3
Thermal	98,514	84,053	(14,460)	(14.7)
Transmission revenue	12,942	12,320	(622)	(4.8)
Other electricity revenue	662	712	50	7.6
<u>Incidental business operating revenue</u>	1,384	2,270	885	64.0
Operating expenses	119,695	112,921	(6,774)	(5.7)
<u>Electric utility operating expenses</u>	118,457	110,865	(7,591)	(6.4)
Personnel expense	7,433	6,888	(545)	(7.3)
Fuel cost	54,628	45,985	(8,643)	(15.8)
Repair expense	12,257	15,607	3,349	27.3
Taxes and duties	6,291	5,989	(302)	(4.8)
Depreciation and amortization cost	19,907	19,271	(636)	(3.2)
Other	17,939	17,124	(814)	(4.5)
<u>Incidental business operating expenses</u>	1,237	2,055	817	66.1
Operating income	21,213	13,917	(7,295)	(34.4)
Non-operating income	5,138	4,820	(317)	(6.2)
Non-operating expenses	5,620	4,857	(763)	(13.6)
Financial expenses	4,973	4,617	(356)	(7.2)
Other	646	239	(406)	(62.9)
Total ordinary revenue	146,047	131,659	(14,387)	(9.9)
Total ordinary expenses	125,316	117,779	(7,537)	(6.0)
Ordinary income	20,730	13,880	(6,850)	(33.0)
(Provision for) reversal of reserve for fluctuation in water levels	(132)	(119)	13	-
Income before income taxes	20,863	14,000	(6,863)	(32.9)
Income taxes – current	2,345	2,011	(334)	(14.2)
Income taxes – deferred	3,308	1,380	(1,927)	(58.3)
Net income	15,209	10,607	(4,601)	(30.3)