

(English Translation)

Financial Results (Unaudited) (for the Year Ended March 31, 2015)

April 30, 2015

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

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Scheduled date of the Ordinary General Meeting of Shareholders: June 25, 2015
 Scheduled date of dividend payment commencement: June 26, 2015
 Scheduled date for filing of annual securities report: June 26, 2015
 Preparation of supplementary explanations of financial results: Yes
 Financial results presentation held: Yes (for institutional investors and securities analysts)

(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 March 31, 2015)

(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	%
Year ended March 31, 2015	750,627	6.2	72,859	23.1	59,350	48.1	43,206	50.6
Year ended March 31, 2014	706,835	7.7	59,171	8.4	40,077	(10.6)	28,694	(3.7)

(Note) Comprehensive income: Year ended March 31, 2015 65,125 million yen (6.2)%
 Year ended March 31, 2014 69,446 million yen 22.0%

	Net income per share	Fully diluted net income per share
	yen	yen
Year ended March 31, 2015	284.43	—
Year ended March 31, 2014	191.23	—

	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to operating revenues
	%	%	%
Year ended March 31, 2015	7.2	2.4	9.7
Year ended March 31, 2014	5.9	1.8	8.4

(Reference) Equity incomes of affiliates: Year ended March 31, 2015 15,659 million yen
 Year ended March 31, 2014 16,380 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2015	2,659,149	696,298	25.9	3,762.52
Year ended March 31, 2014	2,385,216	519,477	21.6	3,440.23

(Reference) Shareholders' equity: Year ended March 31, 2015 688,731 million yen
 Year ended March 31, 2014 516,211 million yen

(3) Consolidated Statements of Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
Year ended March 31, 2015	147,813	(142,964)	143,920	236,439
Year ended March 31, 2014	122,110	(177,375)	88,295	85,223

2. Dividends

	Cash dividends per share					Total amount of dividends	Dividend pay-out ratio	Ratio of dividends to net assets
	Record date				Annual			
	Jun. 30	Sep. 30	Dec. 31	Mar. 31				
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 31, 2014	—	35.00	—	35.00	70.00	10,503	36.6	2.2
Year ended March 31, 2015	—	35.00	—	35.00	70.00	11,658	24.6	1.9
Year ending March 31, 2016 (forecasts)	—	35.00	—	35.00	70.00		25.6	

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2016 (From April 1, 2015 to March 31, 2016)

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

	Operating revenues		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2016	814,000	8.4	80,000	9.8	65,000	9.5	50,000	15.7	273.15

4. Other Information

- (1) Principal subsidiaries subject to changes: None
- (2) 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 "Changes in Accounting Policy, Changes in Accounting Quotation and Representation of Corrections" on page 23.

(3) Number of shares issued (common stock)

- 1) Number of shares issued at the end of the period (including treasury stock)
 - Year ended March 31, 2015: 183,051,100
 - Year ended March 31, 2014: 166,569,600
- 2) Treasury stock at the end of the period
 - Year ended March 31, 2015: 651
 - Year ended March 31, 2014: 16,518,311
- 3) Average number of shares outstanding during the period
 - Year ended March 31, 2015: 151,907,680
 - Year ended March 31, 2014: 150,051,771

[Reference]

1. Non-consolidated Financial Results (From April 1, 2014 to March 31, 2015)

(1) Non-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	%
Year ended March 31, 2015	557,943	(4.3)	44,555	10.1	28,938	(6.8)	22,442	1.5
Year ended March 31, 2014	582,861	(0.7)	40,464	(6.6)	31,060	7.7	22,117	18.9

	Net income per share	Fully diluted net income per share
	yen	yen
Year ended March 31, 2015	147.74	—
Year ended March 31, 2014	147.40	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31, 2015	2,058,609	512,276	24.9	2,798.55
Year ended March 31, 2014	1,926,731	374,689	19.4	2,497.08

(Reference) Shareholders' equity: Year ended March 31, 2015 512,276 million yen
Year ended March 31, 2014 374,689 million yen

2. Non-consolidated Earnings Forecasts for the Year Ending March 31, 2016 (From April 1, 2015 to March 31, 2016)

(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
Year ending March 31, 2016	556,000	(0.3)	38,000	(14.7)	38,000	31.3	31,000	38.1	169.35

* 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. For the details of earnings forecasts for the year ending March 2016, please refer to page 3.
- 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. Operating Results and Financial Position (Consolidated)

(1) Operating Results

1) Electricity Sales Volume

In the wholesale electric power business, electricity sales volumes from hydroelectric power plants for the current fiscal year showed 3.1% increase to 9.0 TWh although the water supply rate decreased from 99% in the previous fiscal year to 98%. This was mainly due to the use of the dam reservoir water for power generation. In thermal power, a decrease in the load factor of thermal power plants from 79% to 76% resulted in 3.2% decrease in electricity sales volume from the previous fiscal year to 52.5TWh. As a result, electricity sales volume from both hydroelectric and thermal power plants in the wholesale electric power business decreased 2.3% from the previous fiscal year to 61.6TWh. Electricity sales volume in the other electric power businesses increased 4.2% from the previous fiscal year to 2.4TWh, due mainly to the inclusion of Mihama Seaside Power through the term, which became a consolidated subsidiary in September 2013. As a result, electricity sales volume in the electric power business as a whole decreased 2.1% from the previous fiscal year to 64.0TWh.

Also, electricity sales volume in the overseas business increased 136.7% from the previous fiscal year to 8.6TWh. This was due to the commencement of commercial operation of Nong Saeng IPP project (unit No.1 in June 2014, unit No.2 in December 2014) and the operation of 7 Small Power Producers (SPP*), which sequentially commenced commercial operation in 2013, throughout the term in Thailand.

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

2) Overview of Income and Expenditures

Although the load factor of the thermal power plants in the wholesale electric power business decreased from the previous fiscal year and the fuel prices declined and the operation of the No. 2 unit of the Matsuura Thermal Power Plant was suspended due to a low pressure turbine accident, sales (operating revenue) increased 6.2% from the previous fiscal year to 750.6 billion yen. This was mainly due to the commencement of commercial operation of Nong Saeng and the operation of the 7 SPPs throughout the term. Furthermore, total ordinary revenue including non-operating income increased 6.1% from the previous fiscal year to 773.3 billion yen.

Although fuel costs in the wholesale electric power business decreased due to lower fuel prices and load factors of thermal power plants, operating expenses increased 4.6% from the previous fiscal year to 677.7 billion yen. This was mainly due to the increase of fuel costs at Nong Saeng and 7 SPPs. In addition, total ordinary expenses including non-operating expenses increased 3.6% from the previous fiscal year to 713.9 billion yen.

As a result, ordinary income increased 48.1% from the previous fiscal year to 59.3 billion yen and net income after corporate tax increased 50.6% from the previous fiscal year to 43.2 billion yen. Results for the reporting segments for the current fiscal year follow.

(Electric Power Business)

Although revenues in the other electric power businesses increased due mainly to the inclusion of Mihama Seaside Power through the term, sales (electric utility operating revenue) decreased 3.4% from the previous fiscal year to 589.8 billion yen. This was mainly because the load factor of the thermal power plants in the wholesale electric power business decreased from the previous fiscal year and the fuel prices declined and the operation of the No. 2 unit of the Matsuura Thermal Power Plant was suspended due to a low pressure turbine accident.

Segment income increased 14.8% from the previous fiscal year to 33.3 billion yen due mainly to decrease of fuel costs due to lower fuel prices and load factors of thermal power plants and decrease of depreciation and amortization costs.

(Electric Power-Related Business)

Sales (other business operating revenue) decreased 2.8% from the previous fiscal year to 351.2 billion yen due mainly to an decrease in revenues from coal sales businesses operated by an consolidated subsidiary.

Segment income decreased 6.8% from the previous fiscal year to 8.9 billion yen due mainly to an decrease in sales.

(Overseas Business)

Sales (overseas business operating revenue) increased 154.3% from the previous fiscal year to 108.9 billion yen due mainly to the commencement of commercial operation of Nong Saeng and the operation of the 7 SPPs throughout the term

Segment income increased 15.9 billion yen from the previous fiscal year to 15.9 billion yen due mainly to the commencement of commercial operation of Nong Saeng, the operation of the 7 SPPs throughout the term and the impact of foreign exchange.

(Other Businesses)

Sales (other business operating revenue) decreased 5.3% from the previous fiscal year to 24.9 billion yen.

Segment income decreased 36.1% from the previous fiscal year to 0.6 billion yen.

3) Earnings Forecasts

In the earnings forecasts for the year ending March 2016, electric power sales volumes in the wholesale electric power business are estimated based on assumption of normal hydroelectric water supply and full restoration of the No. 2 unit of the Matsuura Thermal Power Plant. Also, for overseas businesses, operation of Nong Saeng IPP project (2 units x 800MW) throughout the term and the commencement of commercial operation of U-Thai IPP project (2 units x 800MW) in Thailand are supposed. Due to these factors, sales are expected to increase 8.4% from the current fiscal year to 814 billion yen and operating income is expected to increase 9.8% to 80 billion yen. Ordinary income is expected to increase 9.5% to 65 billion yen and profit attributable to owners of the parent to increase 15.7% to 50 billion yen.

Electricity sales volume and other factors

			Year ended Mar. 31, 2015	Year ending Mar. 31, 2016
Electric Power Business	Wholesale Electric Power Business	Hydroelectric electricity sales volume (TWh)	9.0	9.3
		Thermal electricity sales volume (TWh)	52.5	53.4
		Water supply rate (%)	98	100
		Thermal power load factor (%)	76	78
	Other Electric Power Businesses (*1)	Electricity sales volume (TWh)	2.4	2.1
Overseas Business (*2)		Electricity sales volume (TWh)	8.6	13.7

(*1) Other electric power businesses include power plants for IPPs and PPSs etc, and wind power in Japan by consolidated subsidiaries.

(*2) Overseas business includes power plants for IPPs and SPPs in Thailand by consolidated subsidiaries.

Foreign exchange rate

	Year ended Mar. 31, 2015	Year ending Mar. 31, 2016
Yen/US\$ (Average foreign exchange rate)	110	120
Yen/THB (Foreign exchange rate at the end of Dec.)	3.67	3.6

(2) Financial Position

1) Assets, Liabilities and Net Assets

Total assets increased 273.9 billion yen from the end of the previous fiscal year to 2.6591 trillion yen due to progress in construction in projects in Thailand.

Meanwhile, total liabilities increased 97.1 billion yen from the end of the previous fiscal year to 1.9628 trillion yen. Of this amount, interest-bearing debt increased 73.6 billion yen from the end of the previous fiscal year to 1.7236 trillion yen. Non-recourse loans accounted for 336.9 billion yen of interest-bearing debt (of which 335.2 billion yen was in overseas business).

Furthermore, total net assets increased 176.8 billion yen from the end of the previous fiscal year to 696.2 billion yen, due mainly to the issuance of new shares and the disposition of treasury shares. As a result, the shareholders' equity ratio increased from 21.6% at the end of the previous fiscal year to 25.9%.

2) Cash Flow

(Cash flows from operating activities)

Cash inflow from operating activities increased 25.7 billion yen from the previous fiscal year to 147.8 billion yen due mainly to an increase in income before income taxes and minority interests.

(Cash flows from investing activities)

Cash outflow from investment activities decreased 34.4 billion yen from the previous fiscal year to 142.9 billion yen due mainly to a decrease in investment in projects in Thailand.

(Cash flows from financing activities)

Cash inflow from financing activities increased 55.6 billion yen from the previous fiscal year to 143.9 billion yen due mainly to an increase in income from the issuance of new shares and the disposition of treasury shares.

As a result of these activities, cash and cash equivalents as of March 31, 2015 increased 151.2 billion yen from the end of the previous fiscal year to 236.4 billion yen.

3) Trends in Cash Flow Indicators

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012	Year ended Mar. 31, 2013	Year ended Mar. 31, 2014	Year ended Mar. 31, 2015
Equity ratio	20.7%	20.2%	20.9%	21.6%	25.9%
Equity ratio based on market capitalization	19.1%	16.7%	17.1%	18.3%	27.9%
Years of debt redemption	9.4 years	11.4 years	12.7 years	13.5 years	11.7 years
Interest coverage ratio	6.6	5.8	5.5	4.9	5.2

Notes:

Equity ratio: (Net assets - Minority interests) / Total assets

Equity ratio based on market capitalization: Market capitalization / Total assets

Ratio of interest bearing debt to operating cash flow: Interest-bearing debts / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

(*) All figures are based on the consolidated financial data.

Interest-bearing debt covers all debts on which interest has been paid among debts recorded on the consolidated balance sheets. In addition, the calculation of interest payments is based on the amount of interest paid in accordance with the consolidated statements of cash flow.

(3) Basic Policy Regarding Distribution of Profits; Current and Following Period Dividends

The most prominent characteristic of our business is that we secure returns on investment in power plants and other infrastructure through the long-term operation of these facilities, utilizing our well-established enterprise management expertise, including the construction of power plants and other infrastructure.

In returning profit to our shareholders, we place the utmost importance on maintaining stable dividends in line with the characteristics of our business. Through long-term initiatives we will also work to enhance returns to shareholders in step with efforts to raise corporate value and achieve further growth in a sustainable manner.

Following our policy mentioned above and with a view to maintaining stable shareholder returns over the long term, we plan to pay a year-end dividend of 35 yen per share. Combined with the interim dividend of 35 yen per share, the total annual dividend payout will be 70 yen per share. For the year ending March 2016 we also intend to provide an annual payout of 70 yen per share (including an interim dividend of 35 yen).

(4) Business Risks

This section discusses the main potential risks related to J-POWER's financial position, business results, future business operations and other matters. From the perspective of actively disclosing information to investors, this section also provides information to help investors understand business and other risks that the company does not necessarily consider significant. References to matters relating to future operations and events reflect judgment as of the publication date of this document (April 30, 2015).

Except where a different interpretation is specified, the comments below are framed in consolidated terms, and the term "J-POWER" includes its consolidated subsidiaries and its affiliated companies accounted for by the equity method (the terminology used in the consolidated financial statement follows the definitions stipulated in the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976)).

1) Impact of Industry Reforms in the Electric Power Business on J-POWER's Wholesale Electricity Rates and Business

J-POWER derives most of its operating revenues from wholesale power supply to Japan's 10 electric power companies (EPCOs). Amid intensifying competition driven by industry reforms in the electric power business, the EPCOs have reduced their retail electricity rates.

Because our contract rates are calculated on a fair cost plus fair return on capital basis, we are not directly affected by the change in retail electricity rates of EPCOs. Nevertheless, EPCOs have been calling for a reduction in our contract rates, and it is possible that we reduce our contract rates with declines in fair costs or further intensifying competition, etc. Such case could potentially have a material adverse effect on the results of our operations.

Wholesale power trading on the Japan Electric Power Exchange commenced in April 2005. J-POWER is currently trading in the wholesale power markets. Although we do not expect a large amount of electricity to be traded on the exchange in the near term, an increase in the importance of exchange-traded power prices as a price indicator could potentially have an indirect effect on our rate levels. If the rates set in contracts between J-POWER and EPCOs are higher than price indicators, this could potentially have a material adverse effect on the results of our operations.

In addition, there is a possibility of drastic changes to the business environment following electricity business system reforms based on the cabinet decision on Policy on Electricity System Reform put forward in April 2013. Due to the revision of the Electricity Business Act in November 2013, the Organization for Cross-Regional Coordination of Transmission Operators was established in April 2015. Also, due to the Electric Business Act Revision in June 2014, full liberalization on retail participation and abolishment of wholesale regulations are planned (implementation period slated for 2016). In addition, a bill on the revision of Electricity Business Act has been deliberated after decision by the cabinet in March 2015. In conjunction with the revision, details of the reforms will be considered. The outcomes of such reviews and deliberation could potentially have material adverse effects on our business operations and earnings.

2) Delay or Discontinuation of Our Current Power Plant Construction

Changes in growth projections for electricity demand have prompted some EPCOs to postpone or cancel new power plant development and to shut down inefficient thermal power plants on a long-term or permanent basis. In some cases, we have also postponed the start of commercial operations or canceled the planned construction of power plants to supply EPCOs based on consultations with our EPCO clients. Going forward, if revisions of the nation's energy policies and major changes surrounding the electric power business, the occurrence of unforeseen circumstances or other factors result in the cancellation of construction plans could potentially have a material adverse effect on the results of our operations.

3) Global Warming

J-POWER has a large number of coal-fired thermal power plants, which emit relatively high amounts of carbon dioxide with respect to power output compared to power plants that use LNG and other fossil fuels. Accordingly, we have taken various initiatives to combat global warming both in Japan and overseas.

These efforts notwithstanding, if new regulations or other rules are introduced, this could potentially have a materially adverse effect on the results of our operations.

4) Overseas Power Generation Business and Other Area of New Business

J-POWER is pursuing new initiatives in the overseas power generation business and new electric power businesses in Japan, with the aim of creating new profit sources. However, these businesses may not generate the level of profits that we anticipate, due to unforeseeable circumstances including: a major change in operating conditions; weakening demand; and changes in regulations. Moreover, changes in our business plans or the suspension of operations prompted by these circumstances could result in related expenses that could potentially have a materially adverse effect on the results of our operations. Overseas businesses also entail foreign exchange risk as well as country risk based on political instability and other factors.

5) Capital Funds

Over the next 10 years we anticipate the need to raise a significant amount of funds to proceed with investment plans in our new development projects of Ohma Nuclear Power Plant and Takehara New No. 1 Thermal Power Plant, to repay existing obligations, and to proceed with investment in overseas electric power plant projects. As a partial appropriation of capital expenditure funds to promote new developments in domestic coal-fired thermal, renewable energies (wind and geothermal) and overseas businesses as well as to secure flexibility in fund procurement by consolidating shareholders' equity, the group issued new shares and disposed treasury shares in a public offering in March 2015. If we are unable to raise the required funds on acceptable terms and in a timely manner due to the prevailing conditions in the financial markets, the Company's credit situation, or other factors at that time, then this could potentially have a materially adverse effect on our business development and profitability.

6) Ohma Nuclear Power Plant

In April 2008 J-POWER obtained a permit to install a nuclear reactor at the Ohma Nuclear

Power Plant (Aomori Prefecture; 1,383MW) and in May commenced construction work after obtaining a permit to proceed with the first stage of the construction plan. Construction work, suspended immediately after the Great East Japan Earthquake that struck in March 2011, was resumed in October 2012.

On December 16, 2014, we submitted an application for permission for alteration of reactor installment license and an application for construction plan approval to the Nuclear Regulatory Authority (NRA) based on the initiative to conform to the New Safety Standards concerning nuclear power plants enforced by NRA in July 2013. Moving forward, J-POWER will seriously and appropriately respond to the NRA's conformity examinations and steadily implement necessary safety measures or other measures required in a full-scale effort to build a safe power station.

Please note that the work schedule for the additional constructions to address safety enhancement may be extended more than our expectations depending on changes surrounding the nuclear power business, the status of examinations by the NRA, and additional correspondence to the new safety standards. Also, there is a possibility of increased construction expense in such an event. In addition, nuclear power generation involves various risks, such as revisions of plan due to significant change in condition around nuclear power business caused by review of Japan's nuclear policy or unexpected circumstances, also those associated with the storage and handling of radioactive materials, as well as risks other electric power plants are exposed to, such as natural disasters and unforeseen accidents after operations have commenced. J-POWER intends to ensure that these risks are avoided or minimized. However, if any of these risks should eventuate, it could adversely affect the business performance of the Company.

7) Coal-Fired Thermal Power Plant Fuel

J-POWER's coal-fired thermal power plants use imported coal as their main source of fuel, and fuel costs are affected by price fluctuations for imported coal, supply and demand dynamics for transport vessels, and problems with the facilities or operations of fuel suppliers, among other factors. Fuel prices are reflected in our electricity rates for EPCOs on a cost basis. These rates are generally revised every two years, though they are subject to annual revision if costs change significantly. As a result, fluctuations in coal prices have a limited impact on earnings. However, following a revision to wholesale electricity rates, if coal prices rise sharply before the next revision, there will be a delay before the rise in fuel prices are reflected in electricity rates. This could have a temporary adverse impact on the business performance of the Company. Also, should coal prices fall dramatically, affecting business performances of coal mines where J-POWER holds interests, this may negatively affect J-POWER's business performance.

8) Natural Disasters and Accidents

Should a natural disaster, human error, terrorist activity, fuel supply stoppage, or other unforeseen circumstance result in a major disruption of one of J-POWER's power plants, transmission or substation facilities, or with the information systems that control operations at these facilities, this could potentially hamper our business operations and consequently have a materially adverse effect on the surrounding environment as well as the results of our operations.

9) Regulatory Requirements

J-POWER's mainstay wholesale electric power business is subject to regulations of the Electricity Utilities Industry Law. In addition to this law, our business operations are subject to a variety of other laws. If we are unable to comply with these laws and regulations, or if these laws and regulations are revised, this could potentially have a materially adverse effect on our business operations and earnings. Based on the Electricity Business Act amended in June 2014, regulations for wholesale (regulation on business permits and rates) will be abolished from 2016 onwards (please refer to 1) Impact of Industry Reforms in the Electric Power Business on J-POWER's Wholesale Electricity Rates and Business").

Furthermore, on August 10, 2011, the Nuclear Damage Compensation Facilitation Corporation Act (at present Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act) was promulgated and enacted to establish a framework capable of handling payments and other matters related to compensation for nuclear power damages in the future. Based on a concept of mutual assistance among nuclear power business operators, the main organization of the framework is the Nuclear Damage Compensation Facilitation Corporation (later its name has been changed to Nuclear Damage Compensation and Decommissioning Facilitation Corporation), a support organization. Under Article 38 of this act J-POWER as a nuclear power operator is required to make contributions to the operating costs of the corporation, and these contributions could have a negative impact on our performance if the amount is substantial. If the operation of Ohma Nuclear Power Plant proceeds according to J-POWER's Ohma Nuclear Power Plant Plan and the plant commences operation of a nuclear reactor as stipulated in the Act on Compensation for Nuclear Damage, J-POWER will be required to make contributions to the Nuclear Damage Compensation Facilitation Corporation.

10) Concentration on a Limited Number of Customers

Sales to EPCOs account for the majority of J-POWER's operating revenues. We expect EPCOs to remain our most important customers going forward, and accordingly, our earnings could potentially be affected by EPCOs' market share trends in the retail electricity market, as well as the fluctuations in demand for electric power in Japan after the Great East Japan Earthquake of March 2011.

11) Protection of Sensitive Information

J-POWER holds a large amount of important information that must be kept confidential, including personal information. J-POWER controls this information carefully by implementing information security measures, employee training programs and through other means. However, a leak of sensitive information outside the Company could adversely affect J-POWER's reputation and business performance.

2. Corporate Group

The J-POWER Group is comprised of J-POWER, 69 subsidiaries and 98 affiliates (as of March 31, 2015) and our core business is the wholesale electric power business where we supply electricity to Japan's 10 electric power companies (EPCOs) through hydroelectric and thermal power plants

which we own. Through our power transmission and transforming facilities we also provide transmission services to nine EPCOs (excluding Okinawa Electric Power Company).

The J-POWER Group's business includes "Electric Power Business", which consists of the wholesale electric power business by the parent company, and wind power generation businesses and the wholesale supply of electricity to EPCOs by IPPs and the wholesale supply of electricity to PPSs (Power Producers and Suppliers) by our subsidiaries and affiliates; "Electric Power-Related Businesses" that complement and contribute to the smooth and efficient implementation of our electric power business; "Overseas Power Generation Business" that engages in electric power plant projects overseas and businesses related to this; and "Other Businesses" which include various business activities including the sale of coal that fully utilize the Group's management resources and know-how.

There have been no material changes in the business contents of the J-POWER Group during the current consolidated fiscal year.

3. Management Policies

(1) Basic Management Policy

Under its corporate philosophy to "ensure constant supplies of energy to contribute to the sustainable development of Japan and the rest of the world," J-POWER engages in ongoing initiatives to solidify its position as a sound, growing corporation that is attractive to many stakeholders as it fulfills its mission as a public enterprise. These initiatives include measures to ensure the reliability of our facilities operating in Japan, to promote the transition to a low-carbon society through the development of high-efficiency coal-fired thermal technologies, to further expand our overseas businesses, particularly in Asia where growth is set to continue, and maintenance of financial integrity to support our various businesses and projects.

Through these initiatives we strive to increase corporate value and meet the expectations of our various stakeholders as we practice fair, transparent management in conducting the affairs of J-POWER.

(2) Current Operating Environment and Key Issues to Address

The business environment surrounding J-Power group includes many challenges to overcome, including increased competition due to electric power system reform, the lack of transparency in policy trends for nuclear power, and CO2 emission regulations and other global environmental issues.

Under these circumstances, the group will respond to the changing business environment and continue to contribute to the stable supply of electricity by steadily progressing with "business platform enhancement" that places securing facility reliability and enhanced technological strength at its core. With an eye on how the government is considering its energy and environmental policies, namely the optimal energy mix and anti-global warming measures, we will progress with our engagement in "growth through new developments".

To steadily move forward in our engagement above, we have issued new shares and disposed treasury shares in a public offering. J-Power will use these procured funds in capital

expenditures for new developments in the future and maintain its financial integrity in order to enhance its enterprise value.

1) Initiatives to Enhance Operational Platforms

Securing Facility Reliability

For the thermal, hydroelectric, transmission and transformation facilities, J-Power will continue to make efforts in stable operation of such facilities by dealing with aging facilities and enhancing facility maintenance to manage ongoing high load factors and enhance competitive strength.

The No.2 unit at the Matsuura Thermal Power Station (Matsuura City, Nagasaki Prefecture; 1,000MW), which experienced an incident where a low-pressure turbine rotor fell during an periodic inspection has been operating at a partial load (425MW) since August 2014 after temporary restoration measures. Work has commenced in March 2015 towards total restoration of the plant with full-scale restoration aimed at mid-June 2015. With safety as the top priority, we are exerting full efforts steadily towards a full restoration by the heavy load factor period in summer while implementing accident recurrence prevention measures to thoroughly ensure the stable operation of the facility.

Business Operation that Meets Our Corporate Social Responsibility

The Group will continue to reflexively establish corporate governance to changing management climates while engaging in initiatives to disseminate and establish group-wide compliance awareness to earn and maintain further trust from the society. Also, through solid measures to ensure safety and crisis management as well as enhanced abilities to respond to disasters, we will support the stable supply of electric power while contributing to a sustainable society through the promotion of environmental management and cohabitation with the community and society.

Human Resources, Organizational Strength and a Competitive Edge

J-Power will continue to develop the main trunk of its business including technological strength, by enhancing the capabilities of each and every employee in its human resource development. We will also engage in building a vigorous organization that can flexibly respond to changes in business environments such as the legal separation of the transmission and distribution divisions due to electric power system reforms. Furthermore, we will engage in a group-wide synergistic effort to hone its competitive edge through developing new capacities as well as maintaining and enhancing reliability of existing facilities and cost reduction measures.

Maintenance of Financial Integrity

While continuing with business investments that spur on new growth, in awareness of the need to maintain financial integrity, J-Power considers reinforcement of shareholders' equity an important management issue. Based on such circumstance, we have issued new shares and disposed treasury shares in a offering in March 2015. Procured funds from this round will be

channeled into capital expenditures for new developments in domestic coal-fired thermal, renewable energies (wind and geothermal) and overseas businesses that expand our business platform while pursuing engagements that hone our competitive edge and improve investment efficiency to secure stable business revenues and maintain financial integrity to maintain and reinforce fund procurement capacities.

2) Initiatives for Growth based on New Development

Steady Development in Upgrade, Adding on and New Construction of Domestic Coal-fired Thermal Power and Technological Development

The J-POWER Group is responding to the demand from society to provide a stable supply of electricity in the mid- to long-term by improving efficiency by replacing aging thermal power plants and developing baseload power sources that utilize coal-fired thermal power. To this end, we will develop coal-fired thermal power plant meeting the world's highest efficiency levels with making steady progress in projects listed below. Furthermore we will continue to maximize on business opportunities to replace or construct new facilities to follow these projects.

- Takehara Thermal Power Plant New Unit No.1 replacement project (Takehara City, Hiroshima Prefecture; 600MW; Planned commencement of operation in 2020)
- Takasago Thermal Power Plant New Unit No.1 and No.2 replacement project (Takasago City, Hyogo Prefecture; 600MW for each unit; Planned commencement of operation in 2021 (New Unit No.1), on and after 2027 (New Unit No.2))
- Kashima Power project (Kashima City, Ibaraki Prefecture; 650 MW-class; Planned commencement of operation in 2020) through joint investment with Nippon Steel & Sumitomo Metals Corporation
- Yamaguchi Ube Power project (Ube City, Yamaguchi Prefecture; 600MW x 2 units) through joint investment with Osaka Gas and Ube Industries

Further, we are engaged in initiatives to develop technologies that bring forth low-carbon and highly efficient power, such as Integrated coal Gasification Combined Cycle (IGCC) power generation and CO₂ Capture and Storage (CCS). As part of this technological development, the Group has established the Osaki CoolGen Corporation (Osakikamishima-cho, Toyota-gun, Hiroshima Prefecture) jointly with the Chugoku Electric Power Company. We are currently constructing a demonstration facility (166MW) with the aim of commencing demonstration testing for oxygen-blown IGCC technologies in FY2016.

Steady Progress of Ohma Nuclear Power Construction

Currently under construction in the town of Ohma of Shimokita-gun in Aomori Prefecture, Ohma Nuclear Power Plant (1,383 MW; commencement of operation is to be determined) will utilize a mixed uranium and plutonium (MOX) fuel. Construction of the plant

In establishing base load power sources that support the stable supply of energy and responding to the societal demand for global warming measures, J-Power will progress this project, which is crucial in the nuclear fuel cycle, with safety as its primary precondition and continue to garner the understanding from the local community.

On December 16, 2014, we submitted an application for permission for alteration of reactor installment license and an application for construction plan approval to the Nuclear Regulatory Authority (NRA) based on the Initiative to Conform to the New Safety Standards Concerning Nuclear Power Plants set forth by NRA. Moving forward, J-POWER group will seriously and appropriately respond to the NRA's conformity examinations and steadily implement necessary safety measures or other measures required in a full-scale effort to build a safe power station and aim for early operation commencement.

Engagement with Renewable Energies

J-Power will continue to develop renewable energies to respond to the societal demand for a low carbon society.

For wind power, there are 20 wind farms in operation in Japan, with our owned capacity at approximately 390 MW as of March 31, 2015. Also, construction is underway or being prepared for other projects including the Ohma wind power project (Ohma-machi, Shimokita-gun, Aomori Prefecture; 19.5 MW; Planned commencement of operation in 2016). We are continuing to search for favorable wind sites and steadily advancing new developments while increasing profitability through capacity utilization rates improvement and efficient maintenance and operation. Furthermore, we will also promote demonstration test of the offshore wind power generation aiming to establish necessary technology for practical application .

For geothermal power, we are promoting the Wasabizawa Geothermal Project (Yuzawa City, Akita Prefecture; 42MW; Planned commencement of operation in 2019) though joint investment with Mitsubishi Materials Corporation and Mitsubishi Gas Chemicals Company while engaging in further initiatives to develop new projects. In the mid- to small-scale hydropower business, we are progressing with construction work for the Konokitani Power Plant (Ono City, Fukui Prefecture; 199kW; Planned commencement of operation in 2016).

In addition to the above initiatives, we are engaged in the steady introduction of biomass co-combustion at coal-fired power plants by expanding the biomass fuel generation business using sewage sludge, etc.

Steady Development in the Overseas Business

At present J-POWER has 36 projects underway in seven countries and regions and J-POWER's owned capacity stands at about 6.1GW (as of March 31, 2015).

In Thailand we are currently engaged in the development of the U-Thai IPP project (1,600 MW: Commencement of operation in 2015). Also in Indonesia, the Central Java Thermal Power IPP project (2,000 MW) is in the process of preparing for development. This project is being delayed from its original schedule to commence construction in October 2012 due to delay of obtaining necessary land for the project. We will continue to cooperate with our project partners to actualize early commencement of construction. The deadline for finance close on the long-term electricity sales agreement was set as October 2013, and was extended to October 2014, but in consideration of the above progress status, it has been further extended to October 2015.

When all of these power plants commence operation, the owned capacity is projected to be roughly 8GW. The Group is committed to pursuing these projects under construction and preparation to enhance revenues in the overseas electricity generation business including the existing projects and will continue to cultivate new projects in Asia and beyond.

4. Basic Approach Related to the Selection of Accounting Standards

J-Power Group mainly operates in the wholesale electric power business and its accounting documents are created following the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976) and the Electric Utility Accounting Regulations (Ordinance of the Ministry of International Trade and Industry No. 57 of 1965).

We will examine the application of IFRS with consideration to future business developments.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: millions yen)

	As of Mar. 31, 2014	As of Mar. 31, 2015
Assets		
Noncurrent assets	2,149,579	2,275,453
Electric utility plant and equipment	1,023,751	986,552
Hydroelectric power production facilities	355,616	348,911
Thermal power production facilities	362,307	334,252
Internal combustion engine power production facilities	5,414	5,105
Renewable power production facilities	36,698	40,877
Transmission facilities	176,102	168,680
Transformation facilities	30,482	30,206
Communication facilities	8,596	8,469
General facilities	48,532	50,049
Overseas business facilities	125,018	264,800
Other noncurrent assets	109,787	115,111
Construction in progress	512,604	506,967
Construction and retirement in progress	512,604	506,967
Nuclear fuel	69,216	71,467
Nuclear fuel in processing	69,216	71,467
Investments and other assets	309,201	330,555
Long-term investments	244,181	269,891
Net defined benefit asset	-	278
Deferred tax assets	40,734	38,705
Other	24,331	21,725
Allowance for doubtful accounts	(45)	(45)
Current assets	235,636	383,695
Cash and deposits	50,333	69,151
Notes and accounts receivable-trade	70,135	71,288
Short-term investments	35,000	167,433
Inventories	34,053	37,781
Deferred tax assets	8,637	5,736
Other	37,477	32,337
Allowance for doubtful accounts	(0)	(32)
Total assets	2,385,216	2,659,149

(Unit: millions yen)

	As of Mar. 31, 2014	As of Mar. 31, 2015
Liabilities		
Noncurrent liabilities	1,522,905	1,633,825
Bonds payable	691,346	666,061
Long-term loans payable	741,509	857,846
Lease obligations	981	697
Other provision	43	84
Net defined benefit liability	49,071	48,901
Asset retirement obligations	6,644	7,510
Deferred tax liabilities	14,730	20,394
Other	18,579	32,327
Current liabilities	342,714	329,025
Current portion of noncurrent liabilities	207,968	169,754
Short-term loans payable	20,318	30,044
Notes and accounts payable-trade	33,197	44,035
Accrued taxes	8,791	13,516
Other provision	302	270
Asset retirement obligations	245	372
Deferred tax liabilities	9	5
Other	71,880	71,027
Reserves under the special laws	119	-
Reserve for fluctuation in water levels	119	-
Total liabilities	1,865,739	1,962,851
Net assets		
Shareholders' equity	478,860	629,463
Capital stock	152,449	180,502
Capital surplus	81,849	109,902
Retained earnings	307,829	339,061
Treasury stock	(63,268)	(2)
Accumulated other comprehensive income	37,350	59,268
Valuation difference on available-for-sale securities	9,030	19,860
Deferred gains or losses on hedges	1,772	(15,821)
Foreign currency translation adjustment	22,955	53,205
Remeasurements of defined benefit plans	3,592	2,023
Minority interests	3,265	7,566
Total net assets	519,477	696,298
Total liabilities and net assets	2,385,216	2,659,149

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated statements of income

(Unit: millions yen)

	Year ended Mar. 31, 2014	Year ended Mar. 31, 2015
Operating revenue	706,835	750,627
Electric utility operating revenue	609,080	588,184
Overseas business operating revenue	42,834	108,916
Other business operating revenue	54,920	53,526
Operating expenses	647,663	677,767
Electric utility operating expenses	545,430	521,351
Overseas business operating expenses	43,899	98,979
Other business operating expenses	58,333	57,436
Operating income	59,171	72,859
Non-operating income	22,357	22,714
Dividend income	1,454	1,869
Interest income	1,054	1,155
Equity in earnings of affiliates	16,380	15,659
Other	3,468	4,030
Non-operating expenses	41,451	36,223
Interest expenses	25,305	28,224
Other	16,146	7,999
Total ordinary revenue	729,192	773,341
Total ordinary expenses	689,115	713,991
Ordinary income	40,077	59,350
Provision or reversal of reserve for fluctuation in water levels	(306)	(119)
Reversal of reserve for fluctuation in water levels	(306)	(119)
Extraordinary income	2,386	2,127
Gain on sales of shares of subsidiaries	-	2,127
Insurance income	2,386	-
Income before income taxes and minority interests	42,770	61,598
Income taxes-current	8,372	7,468
Income taxes-deferred	6,579	9,917
Total income taxes	14,952	17,386
Income before minority interests	27,817	44,212
Minority interests in income (loss)	(876)	1,005
Net income	28,694	43,206

Consolidated statements of comprehensive income

(Unit: millions yen)

	Year ended Mar. 31, 2014	Year ended Mar. 31, 2015
Income before minority interests	27,817	44,212
Other comprehensive income		
Valuation difference on available-for-sale securities	4,162	10,809
Deferred gains or losses on hedges	8,696	(19,529)
Foreign currency translation adjustment	12,822	17,057
Remeasurements of defined benefit plans, net of tax	-	(1,569)
Share of other comprehensive income of associates accounted for using equity method	15,946	14,145
Total other comprehensive income	41,628	20,913
Comprehensive income	69,446	65,125
(Comprehensive income attributable to abstract)		
Comprehensive income attributable to owners of the parent	69,220	65,124
Comprehensive income attributable to minority interests	225	1

(3) Consolidated Statements of Changes in Net Assets

Year ended Mar. 31, 2014

(Unit: millions yen)

	Total shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	152,449	81,849	289,639	(63,265)	460,673
Cumulative effects of changes in accounting policies					-
Restated balance	152,449	81,849	289,639	(63,265)	460,673
Changes of items during the period					
Issuance of new shares	-	-			-
Dividends from surplus			(10,503)		(10,503)
Net income			28,694		28,694
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares				-	-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	18,190	(3)	18,187
Balance at the end of current period	152,449	81,849	307,829	(63,268)	478,860

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	4,855	(6,929)	(4,693)	-	(6,768)	(19)	453,885
Cumulative effects of changes in accounting policies							-
Restated balance	4,855	(6,929)	(4,693)	-	(6,768)	(19)	453,885
Changes of items during the period							
Issuance of new shares							-
Dividends from surplus							(10,503)
Net income							28,694
Purchase of treasury shares							(3)
Disposal of treasury shares							-
Net changes of items other than shareholders' equity	4,175	8,702	27,648	3,592	44,118	3,285	47,404
Total changes of items during the period	4,175	8,702	27,648	3,592	44,118	3,285	65,591
Balance at the end of current period	9,030	1,772	22,955	3,592	37,350	3,265	519,477

Year ended Mar. 31, 2015

(Unit: millions yen)

	Total shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	152,449	81,849	307,829	(63,268)	478,860
Cumulative effects of changes in accounting policies			(1,471)		(1,471)
Restated balance	152,449	81,849	306,358	(63,268)	477,389
Changes of items during the period					
Issuance of new shares	28,052	28,052			56,105
Dividends from surplus			(10,503)		(10,503)
Net income			43,206		43,206
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares				63,269	63,269
Net changes of items other than shareholders' equity					
Total changes of items during the period	28,052	28,052	32,703	63,265	152,074
Balance at the end of current period	180,502	109,902	339,061	(2)	629,463

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	9,030	1,772	22,955	3,592	37,350	3,265	519,477
Cumulative effects of changes in accounting policies							(1,471)
Restated balance	9,030	1,772	22,955	3,592	37,350	3,265	518,005
Changes of items during the period							
Issuance of new shares							56,105
Dividends from surplus							(10,503)
Net income							43,206
Purchase of treasury shares							(3)
Disposal of treasury shares							63,269
Net changes of items other than shareholders' equity	10,829	(17,593)	30,250	(1,569)	21,917	4,300	26,218
Total changes of items during the period	10,829	(17,593)	30,250	(1,569)	21,917	4,300	178,292
Balance at the end of current period	19,860	(15,821)	53,205	2,023	59,268	7,566	696,298

(4) Consolidated Statements of Cash Flows

(Unit: millions yen)

	Year ended Mar. 31, 2014	Year ended Mar. 31, 2015
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	42,770	61,598
Depreciation and amortization	91,408	93,309
Impairment loss	14	2,489
Loss on retirement of noncurrent assets	2,241	2,359
Increase (decrease) in net defined benefit liability	(4,800)	(4,611)
Increase (decrease) in reserve for fluctuation in water levels	(306)	(119)
Interest and dividend income	(2,508)	(3,024)
Interest expenses	25,305	28,224
Decrease (increase) in notes and accounts receivable-trade	(7,753)	23
Decrease (increase) in inventories	4,223	(3,593)
Increase (decrease) in notes and accounts payable-trade	9,244	6,639
Loss (gain) on sales of securities	(280)	(252)
Equity in (earnings) losses of affiliates	(16,380)	(15,659)
Loss (gain) on sales of shares of subsidiaries	-	(2,127)
Other, net	2,123	6,841
Subtotal	145,302	172,097
Interest and dividends income received	12,626	10,735
Interest expenses paid	(25,131)	(28,211)
Income taxes paid	(10,687)	(6,807)
Net cash provided by (used in) operating activities	122,110	147,813
Net cash provided by (used in) investing activities		
Purchase of noncurrent assets	(176,982)	(148,404)
Payments of investment and loans receivable	(1,149)	(4,429)
Collection of investment and loans receivable	6,460	4,053
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	1,665
Other, net	(5,704)	4,150
Net cash provided by (used in) investing activities	(177,375)	(142,964)

(Unit: millions yen)

	Year ended Mar. 31, 2014	Year ended Mar. 31, 2015
Net cash provided by (used in) financing activities		
Proceeds from issuance of bonds	79,740	39,858
Redemption of bonds	(63,599)	(85,298)
Proceeds from long-term loans payable	241,625	189,320
Repayment of long-term loans payable	(158,518)	(120,062)
Increase in short-term loans payable	97,221	104,942
Decrease in short-term loans payable	(95,374)	(95,582)
Proceeds from issuance of commercial papers	83,996	-
Redemption of commercial papers	(88,000)	-
Proceeds from issuance of common shares	-	59,359
Proceeds from sales of treasury shares	-	59,740
Cash dividends paid	(10,504)	(10,505)
Other, net	1,709	2,148
Net cash provided by (used in) financing activities	88,295	143,920
Effect of exchange rate change on cash and cash equivalents	3,297	2,446
Net increase (decrease) in cash and cash equivalents	36,328	151,216
Cash and cash equivalents at beginning of period	48,894	85,223
Cash and cash equivalents at end of period	85,223	236,439

(5) Notes on Premise of Going Concern

There are no applicable items.

(6) Changes in Accounting Policy, Changes in Accounting Quotation and Representation 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 March 26, 2015, 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 April 1, 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 current consolidated fiscal year.

As a result, at the start of the current consolidated fiscal year, net defined benefit liability increased by 1,945 million yen and retained earnings decreased by 1,471 million yen. Please note that this change will have a minimal effect on profit and loss.

Further, impact on per share information is listed under relevant sections.

(7) Changes in Representation Methods

(Consolidated Statements of Income)

In previous fiscal year, foreign exchange losses were listed separately under non-operating expenses but they have been included in other from this fiscal year as the amount of foreign exchange losses fell below 10% of non-operating expenses. To reflect this change in representation method, the consolidated financial statements of the previous fiscal year has been rearranged to conform to the new format.

As a result, 11,190 million yen that was shown as foreign exchange losses and 4,955 million yen that was shown as other have been rearranged as 16,146 million yen in other listed under non-operating expenses on the consolidated statements of income for the previous fiscal year.

(Consolidated Statements of Cash Flows)

In previous fiscal year, impairment loss was included in other under net cash provided by (used in) operating activities but it has been listed separately from this fiscal year due to increased

importance. Furthermore, loss (gain) on sales of noncurrent assets was listed separately under net cash provided by (used in) operating activities but it has been included in other from this fiscal year due to diminished importance. To reflect this change in representation method, the consolidated financial statements of the previous fiscal year has been rearranged to conform to the new format.

As a result, 530 million yen that was shown as loss (gain) on sales of noncurrent assets and 1,607 million yen that was shown as other have been rearranged as 14 million yen in impairment loss and 2,123 million yen in other under net cash provided by (used in) operating activities on the consolidated statements of cash flows for the previous fiscal year.

In previous fiscal year, proceeds from contribution received for construction was listed separately under net cash provided by (used in) investing activities but they have been included in other from this fiscal year due to diminished importance. To reflect this change in representation method, the consolidated financial statements of the previous fiscal year has been rearranged to conform to the new format.

As a result, 2,739 million yen that was shown as proceeds from contribution received for construction and (8,443) million yen in other has been rearranged (5,704) million yen in other under net cash provided by (used in) investing activities on the consolidated statements of cash flow for the previous fiscal year.

(8) Additional Information

(Adjustment in the amount of deferred tax assets and deferred tax liabilities resulting from changes in corporate tax rates)

The Act for Partial Revision of the Income Tax Act, etc. (Act No.9 of 2015) and the Act for Partial Revision of the Local Tax Act, etc. (Act No.2 of 2015) was promulgated on March 31, 2015. With this revision, the statutory effective tax rate used in calculation of deferred tax assets and deferred tax liabilities for temporary differences which are expected to be reversed after fiscal year that starts after April 1, 2015 have been changed from 30.78% in the previous fiscal year to 28.85% in the current fiscal year.

With this change, the amount of deferred tax assets excluding deferred tax liabilities decreased 1,767 million yen and income taxes-deferred in the current fiscal year increased 2,196 million yen.

(9) Notes to Consolidated Financial Statements

(Segment Information)

1. Overview of Report Segment

J-Power's report segments are in place to enable separate financial information for each structural unit and is the object of periodic review for the purpose of board members to decide distribution of management resources and evaluate performance.

The Group is composed of J-Power, 69 subsidiaries and 98 affiliates (as of March 31, 2015) and is separated into 4 report segments of Electric Power Business, centered on the wholesale electric power business, and composed of wind power generation businesses, the wholesale electricity supply to EPCOs by IPPs, and the wholesale electricity supply to PPSs; Electric Power Related Business which augments the Electric Power Business and facilitates the smooth execution of electric power businesses; Overseas Business which operates power

generation businesses and related businesses overseas and Other Businesses which utilizes the group's management resources and know-how in coal sales businesses and other businesses.

2. Method of calculating amount of sales, income, assets and other items in reporting segments

The method of accounting for reporting segments is the same as stated in "Significant Issues for the Preparation of Consolidated Financial Statements." The income of reporting segments are calculated on the basis of ordinary income. Intersegment internal revenues and transferred amounts are based on current market prices.

3. Information concerning amounts in sales, income or loss, assets and others for each reporting segment

- Year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Unit: million yen)

	Electric power	Electric power -related	Overseas	Other businesses	Subtotal	Elimination	Consolidated
Sales to customers	609,080	29,944	42,834	24,975	706,835	-	706,835
Intersegment sales	1,648	331,405	-	1,382	334,436	(334,436)	-
Total sales	610,729	361,350	42,834	26,357	1,041,271	(334,436)	706,835
Ordinary income	29,088	9,626	52	956	39,723	353	40,077
Assets	1,783,251	239,736	491,592	17,341	2,531,921	(146,705)	2,385,216
Other items							
Depreciation and amortization	85,173	5,308	3,299	512	94,293	(2,884)	91,408
Amortization of goodwill	232	-	-	-	232	-	232
Interest income	360	163	710	6	1,240	(186)	1,054
Interest expenses	20,301	196	4,932	60	25,491	(186)	25,305
Equity income of affiliates	503	-	15,877	-	16,380	-	16,380
Investment in affiliates	6,905	-	137,249	-	144,154	-	144,154
Increase in the tangible and intangible fixed assets	94,307	4,889	95,815	546	195,558	(532)	195,026

Notes:

1. The breakdown of elimination is as follows.

- (1) The adjustment amount of 353 million yen in segment income includes elimination of transaction amounts between segments of 482 million yen.
- (2) The adjustment amount of (146,705) million yen in segment assets includes elimination of (143,911) million yen for the offsetting of receivables.
- (3) The adjustment amount of (2,884) million yen in depreciation includes elimination of transaction amounts between segments of (2,861) million yen.
- (4) Adjustment amounts for interest earned, interest expenses, and increase in tangible and intangible fixed assets include amounts eliminated as transactions between segments.

2. Segment income is adjusted with ordinary income within consolidated financial statements.

• Year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Unit: million yen)

	Electric power	Electric power -related	Overseas	Other businesses	Subtotal	Elimination	Consolidated
Sales to customers	588,184	30,467	108,916	23,059	750,627	-	750,627
Intersegment sales	1,680	320,768	-	1,912	324,361	(324,361)	-
Total sales	589,865	351,235	108,916	24,971	1,074,989	(324,361)	750,627
Ordinary income	33,386	8,970	15,990	611	58,958	392	59,350
Assets	1,906,828	256,528	639,630	15,065	2,818,051	(158,902)	2,659,149
Other items							
Depreciation and amortization	81,924	5,776	7,820	468	95,989	(2,680)	93,309
Interest income	331	239	747	54	1,373	(217)	1,155
Interest expenses	19,272	242	8,835	90	28,442	(217)	28,224
Equity income of affiliates	336	-	15,323	-	15,659	-	15,659
Investment in affiliates	11,231	-	160,791	-	172,023	-	172,023
Increase in the tangible and intangible fixed assets	67,038	7,071	75,158	317	149,586	(2,692)	146,894

Notes:

1. The breakdown of elimination is as follows.

- (1) The adjustment amount of 392 million yen in segment income includes elimination of transaction amounts between segments of 438 million yen.
- (2) The adjustment amount of (158,902) million yen in segment assets includes elimination of (152,022) million yen for the offsetting of receivables.
- (3) The adjustment amount of (2,680) million yen in depreciation includes elimination of transaction amounts between segments of (2,631) million yen.
- (4) Adjustment amounts for interest earned, interest expenses, and increase in tangible and intangible fixed assets include amounts eliminated as transactions between segments.

2. Segment income is adjusted with ordinary income within consolidated financial statements.

(Per Share Information)

Year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)		Year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)	
	yen		yen
Net assets per share	3,440.23	Net assets per share	3,762.52
Net income per share	191.23	Net income per share	284.43

Notes:

1. Since there were no potential shares such as bonds with subscription right to shares, diluted net income per shares is not indicated.
2. The basis of calculation of net income per share is shown below.

	Year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)
Net income	28,694 million yen	43,206 million yen
Amount not attributable to ordinary shareholders	-	-
Net income attributable to shareholders of common stock	28,694 million yen	43,206 million yen
Average number of common stock outstanding during the year	150,051 thousand	151,907 thousand

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

	Year ended March 31, 2014 (as of March 31, 2014)	Year ended March 31, 2015 (as of March 31, 2015)
Total net assets	519,477 million yen	696,298 million yen
Elimination from total net assets	3,265 million yen	7,566 million yen
【minority interests included in the above】	【3,265 million yen】	【7,566 million yen】
Year-end net assets related to common stock	516,211 million yen	688,731 million yen
No. of common stock used in the calculation of net assets per share	150,051 thousand	183,050 thousand

4. As stated in "Changes in Accounting Policy," Accounting Standard for Retirement Benefits is applied, and conforms to the transitional treatment stipulated in Paragraph 37 of the Accounting Standard for Retirement Benefits.

Please note that this treatment will have a minimal effect on net assets per share and net income per share in the current fiscal year.

(Significant subsequent event)

There was no significant subsequent event for the year ended March 31, 2015.

6. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Unit: millions yen)

	As of Mar. 31, 2014	As of Mar. 31, 2015
Assets		
Noncurrent assets	1,780,429	1,795,979
Electric utility plant and equipment	1,003,628	965,328
Hydroelectric power production facilities	365,343	359,001
Thermal power production facilities	367,935	341,313
Renewable power production facilities	1,541	2,523
Transmission facilities	178,925	171,471
Transformation facilities	31,645	31,424
Communication facilities	9,257	9,095
General facilities	48,979	50,497
Incidental business facilities	2,213	2,088
Non-operating facilities	857	406
Construction in progress	367,748	384,957
Construction in progress	367,563	384,859
Retirement in progress	185	98
Nuclear fuel	69,216	71,467
Nuclear fuel in processing	69,216	71,467
Investments and other assets	336,763	371,731
Long-term investments	70,612	83,250
Long-term investment for subsidiaries and associates	236,195	252,708
Long-term prepaid expenses	9,597	16,718
Deferred tax assets	24,041	19,203
Allowance for doubtful accounts	(3,682)	(149)
Current assets	146,302	262,629
Cash and deposits	3,934	4,380
Accounts receivable-trade	46,228	32,145
Other accounts receivable	782	649
Short-term investments	35,000	167,398
Supplies	28,210	30,048
Prepaid expenses	2,370	2,385
Short-term receivables from subsidiaries and associates	11,079	6,197
Deferred tax assets	5,289	3,885
Other current assets	13,405	15,539
Total assets	1,926,731	2,058,609

(Unit: millions yen)

	As of Mar. 31, 2014	As of Mar. 31, 2015
Liabilities		
Noncurrent liabilities	1,226,516	1,245,889
Bonds payable	691,346	666,061
Long-term loans payable	479,549	524,557
Long-term accrued liabilities	269	271
Lease obligations	342	249
Long-term debt to subsidiaries and associates	4,932	6,346
Provision for retirement benefits	42,089	41,945
Asset retirement obligations	202	214
Other non-current liabilities	7,784	6,242
Current liabilities	325,406	300,443
Current portion of non-current liabilities	201,395	157,661
Short-term loans payable	18,350	18,350
Accounts payable-trade	1,839	3,341
Accounts payable-other	8,362	11,996
Accrued expenses	9,519	10,801
Accrued taxes	4,919	7,972
Deposits received	308	315
Short-term debt to subsidiaries and associates	74,979	84,544
Other advances	694	602
Other current liabilities	5,037	4,857
Reserves under the special laws	119	-
Reserve for fluctuation in water levels	119	-
Total liabilities	1,552,042	1,546,332
Net assets		
Shareholders' equity	366,524	494,713
Capital stock	152,449	180,502
Capital surplus	81,852	109,904
Legal capital surplus	81,852	109,904
Retained earnings	195,491	204,309
Legal retained earnings	6,029	6,029
Other retained earnings	189,462	198,280
Reserve for special disaster	82	65
Exchange-fluctuation preparation reserve	1,960	1,960
General reserve	152,861	152,861
Retained earnings brought forward	34,558	43,393
Treasury stock	(63,268)	(2)
Valuation and translation adjustments	8,164	17,562
Valuation difference on available-for-sale securities	8,154	18,663
Deferred gains or losses on hedges	9	(1,101)
Total net assets	374,689	512,276
Total liabilities and net assets	1,926,731	2,058,609

(2) Non-consolidated Statements of Income

(Unit: millions yen)

	Year ended Mar. 31, 2014	Year ended Mar. 31, 2015
Operating revenue	582,861	557,943
Electric utility operating revenue	572,937	548,580
Sold power to other suppliers	516,701	495,313
Transmission revenue	52,182	49,281
Other electricity revenue	4,054	3,985
Incidental business operating revenue	9,923	9,363
Operating revenue-consulting business	2,077	1,939
Operating revenue-coal sale business	6,664	5,925
Operating revenue-other businesses	1,181	1,498
Operating expenses	542,396	513,387
Electric utility operating expenses	533,444	504,946
Hydroelectric power production expenses	60,633	62,171
Thermal power production expenses	383,857	359,690
Renewable power production expenses	926	367
Purchased power from other suppliers	520	10
Transmission expenses	27,054	26,459
Transformation expenses	6,218	6,317
Selling expenses	3,197	1,244
Communicating expenses	4,714	4,853
General and administrative expenses	39,018	36,828
Enterprise tax	7,301	7,001
Incidental business operating expenses	8,952	8,441
Operating expenses-consulting business	1,598	1,351
Operating expenses-coal sale business	6,558	5,817
Operating expenses-other businesses	795	1,272
Operating income	40,464	44,555

(Unit: millions yen)

	Year ended Mar. 31, 2014	Year ended Mar. 31, 2015
Non-operating income	14,773	8,599
Financial revenue	11,700	6,626
Dividend income	10,275	5,250
Interest income	1,425	1,375
Non-operating revenue	3,072	1,973
Gain on sales of noncurrent assets	89	3
Miscellaneous revenue	2,983	1,969
Non-operating expenses	24,177	24,217
Financial expenses	20,348	19,531
Interest expenses	20,088	19,115
Share issuance cost	-	274
Bond issuance cost	259	141
Non-operating expenses	3,829	4,685
Loss on sales of noncurrent assets	631	55
Miscellaneous loss	3,197	4,629
Total ordinary revenue	597,635	566,543
Total ordinary expenses	566,574	537,605
Ordinary income	31,060	28,938
Provision or reversal of reserve for fluctuation in water levels	(306)	(119)
Reversal of reserve for fluctuation in water levels	(306)	(119)
Extraordinary income	-	2,280
Gain on transfer of long-term investment for subsidiaries and affiliates	-	2,280
Income before income taxes	31,367	31,337
Income taxes-current	4,375	3,444
Income taxes-deferred	4,874	5,450
Total income taxes	9,250	8,895
Net income	22,117	22,442

(3) Non-consolidated Statements of Changes in Net Assets

Year ended Mar. 31, 2014

(Unit: millions yen)

	Total shareholders' equity							
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings			
		Legal capital surplus	Total capital surplus		Other retained earnings			Retained earnings brought forward
				Reserve for special disaster	Exchange-fluctuation preparation reserve	General reserve		
Balance at the beginning of current period	152,449	81,852	81,852	6,029	77	1,960	147,861	27,950
Cumulative effects of changes in accounting policies								
Restated balance	152,449	81,852	81,852	6,029	77	1,960	147,861	27,950
Changes of items during the period								
Issuance of new shares	-	-	-					
Dividends from surplus								(10,503)
Net income								22,117
Provision of reserve for special disaster					5			(5)
Reversal of reserve for special disaster					-			-
Provision of general reserve							5,000	(5,000)
Purchase of treasury shares								
Disposal of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during the period	-	-	-	-	5	-	5,000	6,608
Balance at the end of current period	152,449	81,852	81,852	6,029	82	1,960	152,861	34,558

	Total shareholders' equity			Valuation and translation adjustments			Total net assets
	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Total retained earnings						
Balance at the beginning of current period	183,878	(63,265)	354,914	4,281	(245)	4,035	358,950
Cumulative effects of changes in accounting policies	-		-				-
Restated balance	183,878	(63,265)	354,914	4,281	(245)	4,035	358,950
Changes of items during the period							
Issuance of new shares			-				-
Dividends from surplus	(10,503)		(10,503)				(10,503)
Net income	22,117		22,117				22,117
Provision of reserve for special disaster	-		-				-
Reversal of reserve for special disaster	-		-				-
Provision of general reserve	-		-				-
Purchase of treasury shares		(3)	(3)				(3)
Disposal of treasury shares		-	-				-
Net changes of items other than shareholders' equity				3,873	255	4,128	4,128
Total changes of items during the period	11,613	(3)	11,610	3,873	255	4,128	15,738
Balance at the end of current period	195,491	(63,268)	366,524	8,154	9	8,164	374,689

Year ended Mar. 31, 2015

(Unit: millions yen)

	Total shareholders' equity							
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings			
		Legal capital surplus	Total capital surplus		Other retained earnings			
					Reserve for special disaster	Exchange-fluctuation preparation reserve	General reserve	Retained earnings brought forward
Balance at the beginning of current period	152,449	81,852	81,852	6,029	82	1,960	152,861	34,558
Cumulative effects of changes in accounting policies								(3,121)
Restated balance	152,449	81,852	81,852	6,029	82	1,960	152,861	31,437
Changes of items during the period								
Issuance of new shares	28,052	28,052	28,052					
Dividends from surplus								(10,503)
Net income								22,442
Provision of reserve for special disaster					4			(4)
Reversal of reserve for special disaster					(21)			21
Provision of general reserve							-	-
Purchase of treasury shares								
Disposal of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during the period	28,052	28,052	28,052	-	(17)	-	-	11,956
Balance at the end of current period	180,502	109,904	109,904	6,029	65	1,960	152,861	43,393

	Total shareholders' equity			Valuation and translation adjustments			Total net assets
	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Total retained earnings						
Balance at the beginning of current period	195,491	(63,268)	366,524	8,154	9	8,164	374,689
Cumulative effects of changes in accounting policies	(3,121)		(3,121)				(3,121)
Restated balance	192,370	(63,268)	363,403	8,154	9	8,164	371,568
Changes of items during the period							
Issuance of new shares			56,105				56,105
Dividends from surplus	(10,503)		(10,503)				(10,503)
Net income	22,442		22,442				22,442
Provision of reserve for special disaster	-		-				-
Reversal of reserve for special disaster	-		-				-
Provision of general reserve	-		-				-
Purchase of treasury shares		(3)	(3)				(3)
Disposal of treasury shares		63,269	63,269				63,269
Net changes of items other than shareholders' equity				10,509	(1,110)	9,398	9,398
Total changes of items during the period	11,939	63,265	131,310	10,509	(1,110)	9,398	140,708
Balance at the end of current period	204,309	(2)	494,713	18,663	(1,101)	17,562	512,276

7. Other

For the details of appointment of executives, please see the news release, “Plans for Appointment of Directors and Auditors” announced on today, April 30.2015.

8. Appendixes

[Appendix 1]

Revenues and Expenses (Consolidated)

	Year ended	Year ended	(B) – (A)	(B-A)/A
	March 31, 2014 (A)	March 31, 2015 (B)	million yen	%
	million yen	million yen	million yen	%
Operating revenue	706,835	750,627	43,792	6.2
Electric utility operating revenue	609,080	588,184	(20,895)	(3.4)
Electric power sales	554,491	536,604	(17,886)	(3.2)
Wholesale power business	516,615	494,897	(21,718)	(4.2)
Hydroelectric	104,765	105,705	939	0.9
Thermal	411,850	389,192	(22,658)	(5.5)
Other electric power businesses	37,875	41,707	3,831	10.1
Transmission revenue	52,182	49,281	(2,900)	(5.6)
Other electricity revenue	2,407	2,298	(109)	(4.5)
Overseas business operating revenue	42,834	108,916	66,082	154.3
Other business operating revenue	54,920	53,526	(1,393)	(2.5)
Operating expenses	647,663	677,767	30,104	4.6
Electric utility operating expenses	545,430	521,351	(24,078)	(4.4)
Personnel expense	28,771	27,609	(1,162)	(4.0)
Fuel cost	265,867	244,937	(20,930)	(7.9)
Repair expense	56,659	61,123	4,463	7.9
Consignment cost	30,968	31,534	566	1.8
Taxes and duties	26,390	25,662	(728)	(2.8)
Depreciation and amortization cost	82,393	79,294	(3,098)	(3.8)
Other	54,378	51,189	(3,189)	(5.9)
Overseas business operating expenses	43,899	98,979	55,080	125.5
Other business operating expenses	58,333	57,436	(897)	(1.5)
Operating income	59,171	72,859	13,688	23.1
Non-operating income	22,357	22,714	357	1.6
Dividend income	1,454	1,869	415	28.5
Interest income	1,054	1,155	100	9.5
Equity income of affiliates	16,380	15,659	(720)	(4.4)
Other	3,468	4,030	562	16.2
Non-operating expenses	41,451	36,223	(5,228)	(12.6)
Interest expenses	25,305	28,224	2,918	11.5
Other	16,146	7,999	(8,147)	(50.5)
Total ordinary revenue	729,192	773,341	44,149	6.1
Total ordinary expenses	689,115	713,991	24,875	3.6
Ordinary income	40,077	59,350	19,273	48.1
(Provision for) reversal of reserve for fluctuation in water levels	(306)	(119)	186	-
Extraordinary income	2,386	2,127	(259)	(10.9)
Income before income taxes and minority interests	42,770	61,598	18,827	44.0
Income taxes – current	8,372	7,468	(904)	(10.8)
Income taxes – deferred	6,579	9,917	3,338	50.7
Income before minority interests	27,817	44,212	16,394	58.9
Minority interests in income (loss)	(876)	1,005	1,881	-
Net income	28,694	43,206	14,512	50.6

[Appendix 2]

(1) Generation capacity

(Unit: kW)

	Year ended March 31, 2014 (A)	Year ended March 31, 2015 (B)	(B) – (A)
Electric power business	17,782,280	17,133,080	(649,200)
Wholesale electric power business	16,945,000	16,384,200	(560,800)
Hydroelectric	8,556,000	8,570,200	14,200
Thermal	8,389,000	7,814,000	(575,000)
Other electric power businesses (*1)	837,280	748,880	(88,400)
Overseas business (*2)	790,000	2,390,000	1,600,000
Total	18,572,280	19,523,080	950,800

(*1) Other electric power businesses include power plants for IPPs and PPSs etc, and wind power in Japan by consolidated subsidiaries.

(*2) Overseas business includes power plants for IPPs and SPPs in Thailand by consolidated subsidiaries.

(2) Electricity sales volume and revenues

(Unit: GWh, million yen)

	Year ended March 31, 2014 (A)		Year ended March 31, 2015 (B)		(B) – (A)	
	Electricity sales volume	Revenues	Electricity sales volume	Revenues	Electricity sales volume	Revenues
Electric power business	65,421	554,491	64,049	536,604	(1,372)	(17,886)
Wholesale electric power business	63,076	516,615	61,606	494,897	(1,469)	(21,718)
Hydroelectric	8,759	104,765	9,028	105,705	268	939
Thermal	54,316	411,850	52,577	389,192	(1,738)	(22,658)
Other electric power businesses (*1)	2,345	37,875	2,442	41,707	97	3,831
Overseas business (*2)	3,665	40,755	8,678	105,920	5,012	65,164
Total	69,087	595,247	72,727	642,524	3,640	47,277

(*1) Other electric power businesses include power plants for IPPs and PPSs etc, and wind power in Japan by consolidated subsidiaries.

(*2) Overseas business includes power plants for IPPs and SPPs in Thailand by consolidated subsidiaries.

(3) Water supply rate

(Unit: %)

	Year ended March 31, 2014 (A)	Year ended March 31, 2015 (B)	(B) – (A)
Water supply rate	99	98	(1)

[Appendix 3]

Revenues and Expenses (Non-consolidated)

	Year ended	Year ended	(B) – (A)	(B-A)/A
	March 31, 2014 (A)	March 31, 2015 (B)	(B) – (A)	(B-A)/A
	million yen	million yen	million yen	%
Operating revenue	582,861	557,943	(24,918)	(4.3)
<u>Electric utility operating revenue</u>	572,937	548,580	(24,357)	(4.3)
<u>Electric power sales</u>	516,701	495,313	(21,388)	(4.1)
Hydroelectric	104,765	105,705	939	0.9
Thermal	411,935	389,607	(22,327)	(5.4)
Transmission revenue	52,182	49,281	(2,900)	(5.6)
Other electricity revenue	4,054	3,985	(69)	(1.7)
<u>Incidental business operating revenue</u>	9,923	9,363	(560)	(5.6)
Operating expenses	542,396	513,387	(29,008)	(5.3)
<u>Electric utility operating expenses</u>	533,444	504,946	(28,497)	(5.3)
Personnel expense	29,810	28,566	(1,244)	(4.2)
Fuel cost	250,259	228,482	(21,777)	(8.7)
Repair expense	58,521	61,005	2,484	4.2
Taxes and duties	25,365	24,637	(728)	(2.9)
Depreciation and amortization cost	81,500	77,824	(3,675)	(4.5)
Other	87,986	84,430	(3,556)	(4.0)
<u>Incidental business operating expenses</u>	8,952	8,441	(511)	(5.7)
Operating income	40,464	44,555	4,090	10.1
Non-operating income	14,773	8,599	(6,173)	(41.8)
Non-operating expenses	24,177	24,217	39	0.2
Financial expenses	20,348	19,531	(816)	(4.0)
Other	3,829	4,685	856	22.4
Total ordinary revenue	597,635	566,543	(31,091)	(5.2)
Total ordinary expenses	566,574	537,605	(28,969)	(5.1)
Ordinary income	31,060	28,938	(2,122)	(6.8)
(Provision for) reversal of reserve for fluctuation in water levels	(306)	(119)	186	-
Extraordinary income	-	2,280	2,280	-
Income before income taxes	31,367	31,337	(29)	(0.1)
Income taxes – current	4,375	3,444	(931)	(21.3)
Income taxes – deferred	4,874	5,450	576	11.8
Net income	22,117	22,442	325	1.5