

This is an English translation of the Quarterly Financial Results (*Kessan Tanshin*) filed with the Tokyo Stock Exchange on July 31, 2015. 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, 2015)

July 31, 2015

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 3, 2015

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, 2015 to June 30, 2015)

(1) Consolidated Operating Results

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

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2015	189,500	18.6	28,824	64.6	27,760	61.4	20,402	64.4
Three months ended June 30, 2014	159,739	(1.3)	17,512	(21.4)	17,201	(17.6)	12,412	(24.0)

(Note) Comprehensive income: Three months ended June 30, 2015 14,948 million yen 39.9 %
Three months ended June 30, 2014 10,688 million yen (74.9)%

	Earnings per share	Fully diluted earnings per share
	yen	yen
Three months ended June 30, 2015	111.46	—
Three months ended June 30, 2014	82.72	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
Three months ended June 30, 2015	2,623,070	705,379	26.6
Year ended March 31, 2015	2,659,149	696,298	25.9

(Reference) Shareholders' equity: Three months ended June 30, 2015 697,219 million yen
Year ended March 31, 2015 688,731 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, 2015	—	35.00	—	35.00	70.00
Year ending March 31, 2016	—				
Year ending March 31, 2016 (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, 2016 (From April 1, 2015 to March 31, 2016)

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

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings 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

(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, 2015:	183,051,100
Year ended March 31, 2015:	183,051,100
 - 2) Treasury stock at the end of the period

Three months ended June 30, 2015:	891
Year ended March 31, 2015:	651
 - 3) Average number of shares outstanding during the period

Three months ended June 30, 2015:	183,050,381
Three months ended June 30, 2014:	150,051,254

* Presentation for quarterly review procedures

- This report does not apply to quarterly review procedures based on the Financial Instruments and Exchange Act. 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, 2015 showed 31.2% increase at 3.0 TWh, due mainly to the increase of the water supply rate from 81% in the same period of the previous fiscal year to 108%. In thermal power, an increase in the load factor of the thermal power plants from 61% to 65% resulted in 5.6% increase in electricity sales volume from the same period of the previous fiscal year to 11.0 TWh. As a result, total electricity sales volume from both hydroelectric and thermal power plants in the wholesale electric power business increased 10.3% from the same period of the previous fiscal year to 14.0 TWh. Electricity sales volume in the other electric power businesses decreased 26.3% from the same period of the previous fiscal year to 0.3 TWh, due mainly to the exclusion of Ichihara Power from the scope of consolidation as all of its owned shares were sold in March 2015. As a result, electricity sales volume in the electric power business as a whole increased 8.8% to 14.4 TWh.

Also, electricity sales volume in the overseas business increased 150.0% from the same period of the previous fiscal year to 3.1 TWh. This was mainly due to the operation of Nong Saeng IPP project, which commenced commercial operation in 2014 (unit No.1 in June 2014, unit No.2 in December 2014), throughout the term in Thailand.

2) Overview of Income and Expenditures

Sales (operating revenues) increased 18.6% from the same period of the previous fiscal year to 189.5 billion yen mainly due to the increase of the load factor of thermal power plants in the wholesale electric power business and the operation of Nong Saeng IPP project throughout the term. Furthermore, total ordinary revenue including non-operating income for the three months also increased 18.4% from the same period of the previous fiscal year to 196.4 billion yen.

At the same time, operating expenses increased 13.0% from the same period of the previous fiscal year to 160.6 billion yen. This was mainly due to the increase of fuel costs with the increase in the load factor of thermal power plants in the wholesale electric power business and operation of Nong Saeng IPP project throughout the term. In addition, total ordinary expenses including non-operating expenses for the three months increased 13.4% from the same period of the previous fiscal year to 168.7 billion yen.

As a result, ordinary income increased 61.4% from the same period of the previous fiscal year to 27.7 billion yen and profit attributable to owners of parent after corporate income tax increased 64.4% from the same period of the previous fiscal year to 20.4 billion yen.

(2) Qualitative Information on Consolidated Financial Position

Total assets decreased 36.0 billion yen from the end of the previous fiscal year to 2.6230 trillion yen due mainly to the decrease of current assets.

At the same time, total liabilities decreased 45.1 billion yen from the end of the previous fiscal year to 1.9176 trillion yen. Interest-bearing debt decreased 35.5 billion yen from the end of the previous fiscal year to 1.6881 trillion yen. Non-recourse loans accounted for 337.6 billion yen of interest-bearing debt (of which 335.9 billion yen was in overseas business).

Furthermore, total net assets increased 9.0 billion yen from the end of the previous fiscal year to 705.3 billion yen, due mainly to the posting of profit attributable to owners of parent for the three months. As a result, the shareholders' equity ratio increased from 25.9% at the end of the previous fiscal year to 26.6%.

(3) Qualitative Information on Consolidated Earnings Forecasts

There is no change in our forecasts announced on April 30, 2015.

2. Summary Information (Notes)

Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections

Changes in Accounting Policy

“Revised Accounting Standard for Business Combinations” (ASBJ Statement No.21 of September 13, 2013), “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22 of September 13, 2013), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No.7 of September 13, 2013) and others were applied from the three months ended June 30, 2015. As a result of the application of these standards, representation of net income and other items was changed and minority interests was changed to non-controlling interests.

To reflect these changes in representation method, the consolidated financial statements as of June 30, 2014 and as of March 31, 2015 were rearranged to conform to the new format.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: millions yen)

	As of Mar. 31, 2015	As of Jun. 30, 2015
Assets		
Noncurrent assets	2,275,453	2,269,003
Electric utility plant and equipment	986,552	980,720
Hydroelectric power production facilities	348,911	348,139
Thermal power production facilities	334,252	331,453
Internal combustion engine power production facilities	5,105	5,030
Renewable power production facilities	40,877	39,900
Transmission facilities	168,680	166,420
Transformation facilities	30,206	30,928
Communication facilities	8,469	8,149
General facilities	50,049	50,697
Overseas business facilities	264,800	265,119
Other noncurrent assets	115,111	108,586
Construction in progress	506,967	515,897
Construction and retirement in progress	506,967	515,897
Nuclear fuel	71,467	71,603
Nuclear fuel in processing	71,467	71,603
Investments and other assets	330,555	327,075
Long-term investments	269,891	262,515
Net defined benefit asset	278	282
Deferred tax assets	38,705	38,559
Other	21,725	25,763
Allowance for doubtful accounts	(45)	(45)
Current assets	383,695	354,067
Cash and deposits	69,151	74,595
Notes and accounts receivable-trade	71,288	86,333
Short-term investments	167,433	105,437
Inventories	37,781	41,335
Deferred tax assets	5,736	4,815
Other	32,337	41,589
Allowance for doubtful accounts	(32)	(40)
Total assets	2,659,149	2,623,070

(Unit: millions yen)

	As of Mar. 31, 2015	As of Jun. 30, 2015
Liabilities		
Noncurrent liabilities	1,633,825	1,567,980
Bonds payable	666,061	605,470
Long-term loans payable	857,846	844,295
Lease obligations	697	633
Other provision	84	86
Net defined benefit liability	48,901	48,499
Asset retirement obligations	7,510	8,523
Deferred tax liabilities	20,394	22,420
Other	32,327	38,051
Current liabilities	329,025	349,593
Current portion of noncurrent liabilities	169,754	213,626
Short-term loans payable	30,044	24,837
Notes and accounts payable-trade	44,035	40,381
Accrued taxes	13,516	10,422
Other provision	270	180
Asset retirement obligations	372	351
Deferred tax liabilities	5	5
Other	71,027	59,788
Reserves under the special laws	-	116
Reserve for fluctuation in water levels	-	116
Total liabilities	1,962,851	1,917,690
Net assets		
Shareholders' equity	629,463	643,458
Capital stock	180,502	180,502
Capital surplus	109,902	109,902
Retained earnings	339,061	353,057
Treasury stock	(2)	(3)
Accumulated other comprehensive income	59,268	53,760
Valuation difference on available-for-sale securities	19,860	23,413
Deferred gains or losses on hedges	(15,821)	(19,839)
Foreign currency translation adjustment	53,205	48,558
Remeasurements of defined benefit plans	2,023	1,628
Non-controlling interests	7,566	8,160
Total net assets	696,298	705,379
Total liabilities and net assets	2,659,149	2,623,070

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated statements of income

(Unit: millions yen)

	Three months ended Jun. 30, 2014	Three months ended Jun. 30, 2015
Operating revenue	159,739	189,500
Electric utility operating revenue	133,620	138,747
Overseas business operating revenue	14,531	39,559
Other business operating revenue	11,587	11,193
Operating expenses	142,226	160,676
Electric utility operating expenses	115,338	114,423
Overseas business operating expenses	14,083	34,350
Other business operating expenses	12,804	11,901
Operating income	17,512	28,824
Non-operating income	6,182	6,972
Dividend income	966	890
Interest income	245	199
Equity in earnings of affiliates	3,376	3,390
Foreign exchange gains	1,065	1,907
Other	528	584
Non-operating expenses	6,493	8,035
Interest expenses	6,088	7,367
Other	405	667
Total ordinary revenue	165,921	196,472
Total ordinary expenses	148,720	168,711
Ordinary income	17,201	27,760
Provision or reversal of reserve for fluctuation in water levels	(119)	116
Provision of reserve for fluctuation in water levels	-	116
Reversal of reserve for fluctuation in water levels	(119)	-
Income before income taxes and minority interests	17,321	27,644
Income taxes-current	2,799	4,708
Income taxes-deferred	1,971	1,970
Total income taxes	4,771	6,678
Profit	12,549	20,965
Profit attributable to non-controlling interests	137	563
Profit attributable to owners of parent	12,412	20,402

Consolidated statements of comprehensive income

	(Unit: millions yen)	
	Three months ended Jun. 30, 2014	Three months ended Jun. 30, 2015
Profit	12,549	20,965
Other comprehensive income		
Valuation difference on available-for-sale securities	2,218	3,549
Deferred gains or losses on hedges	(1,780)	(4,768)
Foreign currency translation adjustment	754	(4,939)
Remeasurements of defined benefit plans, net of tax	(514)	(395)
Share of other comprehensive income of associates accounted for using equity method	(2,540)	535
Total other comprehensive income	(1,861)	(6,017)
Comprehensive income	10,688	14,948
(Comprehensive income attributable to abstract)		
Comprehensive income attributable to owners of the parent	10,846	14,895
Comprehensive income attributable to non-controlling interests	(157)	52

(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	Three months ended	(B) – (A)	(B-A)/A
	Jun. 30, 2014 (A)	Jun. 30, 2015 (B)	million yen	%
	million yen	million yen	million yen	%
Operating revenue	159,739	189,500	29,760	18.6
Electric utility operating revenue	133,620	138,747	5,127	3.8
Electric power sales	120,994	125,791	4,797	4.0
Wholesale power business	111,427	118,920	7,493	6.7
Hydroelectric	27,482	29,178	1,696	6.2
Thermal	83,945	89,742	5,797	6.9
Other electric power business	9,567	6,871	(2,695)	(28.2)
Transmission revenue	12,320	12,247	(72)	(0.6)
Other electricity revenue	306	708	401	131.2
Overseas business operating revenue	14,531	39,559	25,027	172.2
Other business operating revenue	11,587	11,193	(393)	(3.4)
Operating expenses	142,226	160,676	18,449	13.0
Electric utility operating expenses	115,338	114,423	(914)	(0.8)
Personnel expense	6,559	7,570	1,010	15.4
Fuel cost	50,210	49,217	(992)	(2.0)
Repair expense	15,629	15,445	(184)	(1.2)
Consignment cost	6,815	6,617	(198)	(2.9)
Taxes and duties	6,243	6,232	(11)	(0.2)
Depreciation and amortization cost	19,646	18,320	(1,325)	(6.7)
Other	10,232	11,019	786	7.7
Overseas business operating expenses	14,083	34,350	20,266	143.9
Other business operating expenses	12,804	11,901	(902)	(7.0)
Operating income	17,512	28,824	11,311	64.6
Non-operating income	6,182	6,972	789	12.8
Dividend income	966	890	(75)	(7.9)
Interest income	245	199	(46)	(18.9)
Equity income of affiliates	3,376	3,390	14	0.4
Foreign exchange gains	1,065	1,907	841	79.0
Other	528	584	55	10.6
Non-operating expenses	6,493	8,035	1,541	23.7
Interest expenses	6,088	7,367	1,279	21.0
Other	405	667	262	64.8
Total ordinary revenue	165,921	196,472	30,550	18.4
Total ordinary expenses	148,720	168,711	19,990	13.4
Ordinary income	17,201	27,760	10,559	61.4
(Provision for) reversal of reserve for fluctuation in water levels	(119)	116	235	-
Income before income taxes and minority interests	17,321	27,644	10,323	59.6
Income taxes – current	2,799	4,708	1,909	68.2
Income taxes – deferred	1,971	1,970	(1)	(0.1)
Profit	12,549	20,965	8,415	67.1
Profit attributable to non-controlling interests	137	563	425	309.4
Profit attributable to owners of parent	12,412	20,402	7,990	64.4

[Appendix 2]

(1) Generation capacity

(Unit: kW)

	As of Jun. 30, 2014 (A)	As of Jun. 30, 2015 (B)	(B) – (A)
Electric power business	17,782,280	17,708,550	(73,730)
Wholesale electric power business	16,945,000	16,959,670	14,670
Hydroelectric	8,556,000	8,570,670	14,670
Thermal	8,389,000	8,389,000	-
Other electric power business (*1)	837,280	748,880	(88,400)
Overseas business (*2)	790,000	2,390,000	1,600,000
Total	18,572,280	20,098,550	1,526,270

(*1) Other electric power business includes 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)

	As of Jun. 30, 2014 (A)		As of Jun. 30, 2015 (B)		(B) – (A)	
	Electricity sales volume	Revenues	Electricity sales volume	Revenues	Electricity sales volume	Revenues
Electric power business	13,307	120,994	14,483	125,791	1,176	4,797
Wholesale electric power business	12,781	111,427	14,095	118,920	1,314	7,493
Hydroelectric	2,343	27,482	3,075	29,178	732	1,696
Thermal	10,437	83,945	11,020	89,742	582	5,797
Other electric power business (*1)	525	9,567	387	6,871	(138)	(2,695)
Overseas business (*2)	1,246	13,939	3,115	38,913	1,869	24,974
Total	14,553	134,933	17,599	164,705	3,045	29,772

(*1) Other electric power business includes 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: %)

	As of Jun. 30, 2014 (A)	As of Jun. 30, 2015 (B)	(B) – (A)
Water supply rate	81	108	27

[Appendix 3]

Revenues and Expenses (Non-Consolidated)

	Three months ended June 30, 2014 (A)	Three months ended June 30, 2015 (B)	(B) – (A)	(B-A)/A
	million yen	million yen	million yen	%
Operating revenue	126,839	134,924	8,085	6.4
<u>Electric utility operating revenue</u>	124,568	132,466	7,898	6.3
<u>Electric power sales</u>	111,535	119,105	7,569	6.8
Hydroelectric	27,482	29,178	1,696	6.2
Thermal	84,053	89,926	5,872	7.0
Transmission revenue	12,320	12,247	(72)	(0.6)
Other electricity revenue	712	1,113	401	56.4
<u>Incidental business operating revenue</u>	2,270	2,457	186	8.2
Operating expenses	112,921	115,337	2,415	2.1
<u>Electric utility operating expenses</u>	110,865	113,179	2,313	2.1
Personnel expense	6,888	7,974	1,085	15.8
Fuel cost	45,985	47,798	1,813	3.9
Repair expense	15,607	15,512	(95)	(0.6)
Taxes and duties	5,989	6,021	32	0.5
Depreciation and amortization cost	19,271	17,894	(1,376)	(7.1)
Other	17,124	17,978	853	5.0
<u>Incidental business operating expenses</u>	2,055	2,158	102	5.0
Operating income	13,917	19,586	5,669	40.7
Non-operating income	4,820	3,475	(1,345)	(27.9)
Non-operating expenses	4,857	4,918	61	1.3
Financial expenses	4,617	4,454	(163)	(3.5)
Other	239	463	224	93.4
Total ordinary revenue	131,659	138,399	6,739	5.1
Total ordinary expenses	117,779	120,256	2,476	2.1
Ordinary income	13,880	18,143	4,262	30.7
(Provision for) reversal of reserve for fluctuation in water levels	(119)	116	235	–
Income before income taxes	14,000	18,027	4,026	28.8
Income taxes – current	2,011	3,614	1,603	79.7
Income taxes – deferred	1,380	1,268	(112)	(8.1)
Profit	10,607	13,144	2,536	23.9