

(English Translation)

Quarterly Financial Results (Unaudited) (for the Three Months Ended June 30, 2019)

July 31, 2019

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 1, 2019

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, 2019 to June 30, 2019)

(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, 2019	215,876	9.3	30,151	(3.3)	29,312	(18.0)	19,255	(23.5)
Three months ended June 30, 2018	197,591	4.1	31,178	13.0	35,739	25.5	25,183	30.9

(Note) Comprehensive income: Three months ended June 30, 2019 15,421 million yen (32.3)%
Three months ended June 30, 2018 22,763 million yen (0.1)%

	Earnings per share	Fully diluted earnings per share
	yen	yen
Three months ended June 30, 2019	105.19	—
Three months ended June 30, 2018	137.58	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
Three months ended June 30, 2019	2,795,220	853,712	28.7
Year ended March 31, 2019	2,766,179	845,582	28.8

(Reference) Shareholders' equity: Three months ended June 30, 2019 803,050 million yen
Year ended March 31, 2019 797,459 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, 2019	—	35.00	—	40.00	75.00
Year ending March 31, 2020	—				
Year ending March 31, 2020 (forecasts)		35.00	—	40.00	75.00

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

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2020 (From April 1, 2019 to March 31, 2020)

(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, 2020	940,000	4.8	73,000	(7.4)	60,000	(12.5)	42,000	(9.2)	229.45

(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.: None
 - 2) Changes in accounting policies except 1): None
 - 3) Changes in accounting estimates: None
 - 4) Restatement of corrections: None
- (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, 2019:	183,051,100
Year ended March 31, 2019:	183,051,100
 - 2) Treasury stock at the end of the period

Three months ended June 30, 2019:	2,171
Year ended March 31, 2019:	2,151
 - 3) Average number of shares outstanding during the period

Three months ended June 30, 2019:	183,048,945
Three months ended June 30, 2018:	183,049,342

* This quarterly financial results is out of the scope of quarterly review procedures by CPA or an audit firm

* 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 electric power business, electricity sales volume from hydroelectric power plants for the three months ended June 30, 2019 showed 27.1% decrease from the same period of the previous fiscal year to 2.1TWh, due mainly to the decrease in water supply rate from 105% to 79%. In thermal power, the decrease in the load factor of thermal power plants of J-POWER (non-consolidated) from 63% to 57% resulted in 9.9% decrease in electricity sales volume from the same period of the previous fiscal year to 9.7TWh. Despite these factors, the increase in sales volume of electricity procured from wholesale electricity market, etc. contributed to 4.1% increase in total electricity sales volume of the electric power business from the same period of the previous fiscal year to 14.9TWh.

Electricity sales volume in the overseas business decreased 3.2% from the same period of the previous fiscal year to 3.2TWh.

2) Overview of Income and Expenditures

Sales (operating revenues) increased 9.3% from the same period of the previous fiscal year to 215.8 billion yen, mainly due to the increase in sales volume of electricity procured from wholesale electricity market, etc. Non-operating revenue decreased 49.4% from the same period of the previous fiscal year to 6.1 billion yen mainly due to the decrease in foreign exchange gains. Total ordinary revenue increased 5.9% from the same period of the previous fiscal year to 221.9 billion yen.

Operating expenses increased 11.6% from the same period of the previous fiscal year to 185.7 billion yen. This was mainly due to the increase in purchased power from other suppliers, despite decrease in fuel costs associated with the decrease in load factor of thermal power plants and decrease in repair expense including periodic inspection costs at thermal power plants. Total ordinary expenses including non-operating expenses increased 10.8% from the same period of the previous fiscal year to 192.6 billion yen.

As a result, ordinary income decreased 18.0% from the same period of the previous fiscal year to 29.3 billion yen and profit attributable to owners of parent after corporate income tax decreased 23.5% from the same period of the previous fiscal year to 19.2 billion yen.

(2) Qualitative Information on Consolidated Financial Position

Total assets increased 29.0 billion yen from the end of the previous fiscal year to 2.7952 trillion yen, due mainly to foreign exchange fluctuations.

Total liabilities increased 20.9 billion yen from the end of the previous fiscal year to 1.9415 trillion yen. Of this amount, interest-bearing debt increased 11.3 billion yen from the end of the previous fiscal year to 1.6541 trillion yen. Non-recourse loans in overseas business accounted for 255.7 billion yen of interest-bearing debt.

Total net assets increased 8.1 billion yen from the end of the previous fiscal year to 853.7 billion yen, due mainly to posting of profit attributable to owners of parent.

As a result, shareholders' equity ratio decreased from 28.8% at the end of the previous fiscal

year to 28.7%.

(3) Qualitative Information on Consolidated Earnings Forecasts

There is no change in our forecasts announced on April 26, 2019.

2. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Unit: million yen)

	As of Mar. 31, 2019	As of Jun. 30, 2019
Assets		
Non-current assets	2,401,671	2,416,979
Electric utility plant and equipment	944,323	934,184
Hydroelectric power production facilities	351,141	349,753
Thermal power production facilities	302,274	296,260
Internal combustion engine power production facilities	2,967	2,931
Renewable power production facilities	44,169	42,820
Transmission facilities	150,699	150,627
Transformation facilities	29,833	29,558
Communication facilities	8,552	8,288
General facilities	54,684	53,943
Overseas business facilities	312,128	315,122
Other non-current assets	94,836	95,988
Construction in progress	582,083	603,153
Construction and retirement in progress	582,083	603,153
Nuclear fuel	74,514	74,659
Nuclear fuel in processing	74,514	74,659
Investments and other assets	393,785	393,871
Long-term investments	313,339	311,375
Deferred tax assets	53,321	54,925
Other	27,123	27,570
Current assets	364,508	378,240
Cash and deposits	121,187	135,009
Notes and accounts receivable-trade	84,686	87,028
Short-term investments	66,000	40,020
Inventories	53,483	55,837
Other	39,149	60,346
Total assets	2,766,179	2,795,220

(Unit: million yen)

	As of Mar. 31, 2019	As of Jun. 30, 2019
Liabilities		
Non-current liabilities	1,622,378	1,632,052
Bonds payable	614,992	624,992
Long-term loans payable	852,269	844,360
Lease obligations	1,106	2,741
Other provision	30	30
Net defined benefit liability	57,790	57,588
Asset retirement obligations	29,023	28,929
Deferred tax liabilities	19,455	20,020
Other	47,709	53,388
Current liabilities	298,219	309,455
Current portion of non-current liabilities	159,335	166,934
Short-term loans payable	15,278	15,258
Notes and accounts payable-trade	25,457	32,911
Accrued taxes	17,155	13,168
Other provision	678	455
Asset retirement obligations	368	370
Other	79,946	80,358
Total liabilities	1,920,597	1,941,508
Net assets		
Shareholders' equity	777,699	789,632
Capital stock	180,502	180,502
Capital surplus	119,927	119,927
Retained earnings	477,276	489,210
Treasury shares	(7)	(7)
Accumulated other comprehensive income	19,760	13,418
Valuation difference on available-for-sale securities	12,482	10,421
Deferred gains or losses on hedges	(7,293)	(16,907)
Foreign currency translation adjustment	17,551	22,419
Remeasurements of defined benefit plans	(2,979)	(2,515)
Non-controlling interests	48,123	50,661
Total net assets	845,582	853,712
Total liabilities and net assets	2,766,179	2,795,220

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated statement of income

	(Unit: million yen)	
	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2019
Operating revenue	197,591	215,876
Electric utility operating revenue	145,457	162,349
Overseas business operating revenue	36,786	40,269
Other business operating revenue	15,346	13,257
Operating expenses	166,412	185,724
Electric utility operating expenses	123,997	140,657
Overseas business operating expenses	29,098	33,004
Other business operating expenses	13,317	12,062
Operating income	31,178	30,151
Non-operating income	12,062	6,101
Dividend income	1,057	962
Interest income	297	332
Share of profit of entities accounted for using equity method	2,185	1,775
Foreign exchange gains	5,419	2,023
Other	3,103	1,007
Non-operating expenses	7,502	6,940
Interest expenses	6,435	6,589
Other	1,066	351
Total ordinary revenue	209,654	221,977
Total ordinary expenses	173,914	192,665
Ordinary income	35,739	29,312
Profit before income taxes	35,739	29,312
Income taxes-current	2,942	4,801
Income taxes-deferred	3,265	2,210
Total income taxes	6,208	7,012
Profit	29,530	22,300
Profit attributable to non-controlling interests	4,347	3,044
Profit attributable to owners of parent	25,183	19,255

Consolidated statement of comprehensive income

	(Unit: million yen)	
	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2019
Profit	29,530	22,300
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,787)	(2,103)
Deferred gains or losses on hedges	6,683	(7,192)
Foreign currency translation adjustment	(9,754)	4,763
Remeasurements of defined benefit plans, net of tax	129	464
Share of other comprehensive income of entities accounted for using equity method	(2,038)	(2,811)
Total other comprehensive income	(6,766)	(6,878)
Comprehensive income	22,763	15,421
(Comprehensive income attributable to abstract)		
Comprehensive income attributable to owners of parent	17,726	12,913
Comprehensive income attributable to non-controlling interests	5,037	2,507

(3) Notes on Premise of Going Concern

Not applicable.

(4) Notes on Significant Changes in Shareholders' Equity

Not applicable.

3. Appendixes

[Appendix 1]

Revenues and Expenses (Consolidated)

(Unit: million yen)

	Three months ended Jun. 30, 2018 (A)	Three months ended Jun. 30, 2019 (B)	Year-on-year change	
			(B-A)	(B-A)/A
Operating revenue	197,591	215,876	18,285	9.3%
Electric utility operating revenue	145,457	162,349	16,891	11.6%
Sold power to other suppliers	132,856	149,246	16,390	12.3%
Transmission revenue	12,279	12,312	32	0.3%
Other electricity revenue	321	790	469	146.0%
Overseas business operating revenue	36,786	40,269	3,482	9.5%
Other business operating revenue	15,346	13,257	(2,088)	(13.6)%
Operating expenses	166,412	185,724	19,312	11.6%
Electric utility operating expenses	123,997	140,657	16,660	13.4%
Personnel expense	7,700	8,319	618	8.0%
Fuel cost	55,252	50,886	(4,366)	(7.9)%
Repair expense	13,611	12,226	(1,385)	(10.2)%
Consignment cost	8,336	8,132	(204)	(2.5)%
Taxes and duties	6,204	6,136	(68)	(1.1)%
Depreciation and amortization cost	13,882	13,956	74	0.5%
Other	19,007	40,999	21,991	115.7%
Overseas business operating expenses	29,098	33,004	3,906	13.4%
Other business operating expenses	13,317	12,062	(1,254)	(9.4)%
Operating income	31,178	30,151	(1,026)	(3.3)%
Non-operating income	12,062	6,101	(5,961)	(49.4)%
Dividend income	1,057	962	(94)	(8.9)%
Interest income	297	332	34	11.8%
Share of profit of entities accounted for using equity method	2,185	1,775	(409)	(18.8)%
Foreign exchange gains	5,419	2,023	(3,395)	(62.7)%
Other	3,103	1,007	(2,095)	(67.5)%
Non-operating expenses	7,502	6,940	(561)	(7.5)%
Interest expenses	6,435	6,589	153	2.4%
Other	1,066	351	(714)	(67.0)%
Total ordinary revenue	209,654	221,977	12,323	5.9%
Total ordinary expenses	173,914	192,665	18,750	10.8%
Ordinary income	35,739	29,312	(6,427)	(18.0)%
Profit before income taxes	35,739	29,312	(6,427)	(18.0)%
Income taxes-current	2,942	4,801	1,858	63.1%
Income taxes-deferred	3,265	2,210	(1,054)	(32.3)%
Profit	29,530	22,300	(7,230)	(24.5)%
Profit attributable to non-controlling interests	4,347	3,044	(1,302)	(30.0)%
Profit attributable to owners of parent	25,183	19,255	(5,927)	(23.5)%

[Appendix 2]

(1) Generation capacity

(Unit: kW)

	As of Jun. 30, 2018 (A)	As of Jun. 30, 2019 (B)	Year-on-year change (B-A)
Electric power business	17,540,249	17,192,449	(347,800)
Hydroelectric power	8,573,169	8,575,369	2,200
Thermal power	8,523,420	8,173,420	(350,000)
Wind power	443,660	443,660	-
Overseas business	3,990,000	3,990,000	-
Total	21,530,249	21,182,449	(347,800)

(2) Electricity sales volume

(Unit: GWh)

	Three months ended Jun. 30, 2018 (A)	Three months ended Jun. 30, 2019 (B)	Year-on-year change (B-A)
Electric power business	14,312	14,906	593
Hydroelectric power	2,890	2,107	(782)
Thermal power	10,849	9,779	(1,069)
Wind power	181	169	(12)
Other	391	2,850	2,458
Overseas business	3,329	3,223	(105)
Total	17,642	18,130	487

* Other shows sales volume of electricity procured from wholesale electricity market, etc.

(3) Water supply rate and Load factor (J-POWER non-consolidated)

(Unit: %)

	Three months ended Jun. 30, 2018 (A)	Three months ended Jun. 30, 2019 (B)	Year-on-year change (B-A)
Water supply rate	105	79	(26)
Load factor	63	57	(6)

[Appendix 3]

Revenues and Expenses (Non-Consolidated)

(Unit: million yen)

	Three months ended Jun. 30, 2018 (A)	Three months ended Jun. 30, 2019 (B)	Year-on-year change	
			(B-A)	(B-A)/A
Operating revenue	140,515	133,955	(6,560)	(4.7)%
<u>Electric utility operating revenue</u>	136,837	132,299	(4,538)	(3.3)%
Sold power to other suppliers	123,825	119,176	(4,649)	(3.8)%
Transmission revenue	12,279	12,312	32	0.3%
Other electricity revenue	732	810	78	10.7%
<u>Incidental business operating revenue</u>	3,677	1,656	(2,021)	(55.0)%
Operating expenses	122,765	119,491	(3,274)	(2.7)%
<u>Electric utility operating expenses</u>	119,306	117,972	(1,333)	(1.1)%
Personnel expense	8,130	8,741	611	7.5%
Fuel cost	53,404	50,050	(3,354)	(6.3)%
Repair expense	13,284	11,871	(1,412)	(10.6)%
Taxes and duties	5,999	5,916	(82)	(1.4)%
Depreciation and amortization cost	12,464	12,909	444	3.6%
Other	26,023	28,483	2,460	9.5%
<u>Incidental business operating expenses</u>	3,459	1,518	(1,941)	(56.1)%
Operating income	17,749	14,464	(3,285)	(18.5)%
Non-operating income	17,337	35,320	17,983	103.7%
Non-operating expenses	4,378	4,671	293	6.7%
Financial expenses	3,320	3,393	73	2.2%
Other	1,058	1,278	219	20.8%
Total ordinary revenue	157,852	169,276	11,423	7.2%
Total ordinary expenses	127,144	124,162	(2,981)	(2.3)%
Ordinary income	30,708	45,113	14,405	46.9%
Profit before income taxes	30,708	45,113	14,405	46.9%
Income taxes-current	1,514	2,359	844	55.8%
Income taxes-deferred	2,384	1,313	(1,071)	(44.9)%
Profit	26,809	41,441	14,632	54.6%