

This is an English translation of the Financial Results (*Kessan Tanshin*) filed with the Tokyo Stock Exchange on January 31, 2020. Please note that if there is any discrepancy, the original Japanese version will take priority.



(English Translation)

## Quarterly Financial Results (Unaudited) (for the Nine Months Ended December 31, 2019)

January 31, 2020

### 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: February 3, 2020

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 December 31, 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	%
Nine months ended Dec. 31, 2019	676,003	2.4	68,237	(12.3)	66,911	(8.7)	38,743	(25.1)
Nine months ended Dec. 31, 2018	659,985	4.0	77,763	(22.3)	73,281	(27.2)	51,719	(21.2)

(Note) Comprehensive income: Nine months ended Dec. 31, 2019 16,521 million yen (73.4) %  
 Nine months ended Dec. 31, 2018 62,127 million yen (25.5) %

	Earnings per share	Fully diluted earnings per share
	yen	yen
Nine months ended Dec. 31, 2019	211.66	—
Nine months ended Dec. 31, 2018	282.54	—

##### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
Nine months ended Dec. 31, 2019	2,788,766	845,489	28.5
Year ended March 31, 2019	2,766,179	845,582	28.8

(Reference) Shareholders' equity: Nine months ended Dec. 31, 2019 795,242 million yen  
 Year ended March 31, 2019 797,459 million yen

#### 2. Dividends

	Cash dividends per share				Annual
	Record date				
	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	—	35.00	—		
Year ending March 31, 2020 (forecasts)				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	920,000	2.5	75,000	(4.9)	71,000	3.6	41,000	(11.4)	223.98

(Note) Revisions to consolidated earnings forecasts in the current quarter: Yes

### 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)

Nine months ended Dec. 31, 2019:	183,051,100
Year ended March 31, 2019:	183,051,100
  - 2) Treasury stock at the end of the period

Nine months ended Dec. 31, 2019:	2,291
Year ended March 31, 2019:	2,151
  - 3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2019:	183,048,874
Nine months ended Dec. 31, 2018:	183,049,252

\* 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

- J-POWER has revised its earnings forecasts for the year ending March 31, 2020 announced on April 26, 2019. For the details, please refer to "Qualitative Information on Consolidated Earnings Forecasts" on page 3.
- 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 <https://www.jpowers.co.jp/english/> under the investor relations section.

### [Reference]

### Non-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		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2020	575,000	(11.1)	19,000	1.7	55,000	1.1	53,000	0.4	289.54

(Note) Revisions to non-consolidated earnings forecasts in the current quarter: Yes

## **Table of Contents**

<b>1. Qualitative Information on Consolidated Financial Results</b> .....	2
<b>(1) Qualitative Information on Consolidated Operating Results</b> .....	2
<b>(2) Qualitative Information on Consolidated Financial Position</b> .....	2
<b>(3) Qualitative Information on Consolidated Earnings Forecasts</b> .....	3
<b>2. Consolidated Financial Statements and Major Notes</b> .....	5
<b>(1) Consolidated Balance Sheet</b> .....	5
<b>(2) Consolidated Statement of Income and Comprehensive Income</b> .....	7
<b>(3) Notes on Premise of Going Concern</b> .....	9
<b>(4) Notes on Significant Changes in Shareholders' Equity</b> .....	9
<b>3. Appendixes</b> .....	10
[Appendix 1].....	10
[Appendix 2].....	11
[Appendix 3].....	12

## 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 nine months ended December 31, 2019 showed 12.1% decrease from the same period of the previous fiscal year to 7.0TWh, due mainly to the decrease in water supply rate from 110% to 98%. In thermal power, the decrease in the load factor of thermal power plants of J-POWER (non-consolidated) from 78% to 74% resulted in 8.2% decrease in electricity sales volume from the same period of the previous fiscal year to 37.3TWh. Despite these factors, the increase in sales volume of electricity which was procured from wholesale electricity market, etc. and sold to retailers contributed to 3.7% increase in total electricity sales volume of the electric power business from the same period of the previous fiscal year to 53.2TWh.

Electricity sales volume in the overseas business increased 43.7% from the same period of the previous fiscal year to 11.4TWh.

#### 2) Overview of Income and Expenditures

Sales (operating revenues) increased 2.4% from the same period of the previous fiscal year to 676.0 billion yen, due mainly to the increase in electricity sales volume in the overseas business. Non-operating revenue increased 18.2% from the same period of the previous fiscal year to 20.4 billion yen mainly due to the posting of foreign exchange gains. Total ordinary revenue increased 2.8% from the same period of the previous fiscal year to 696.4 billion yen.

Operating expenses increased 4.4% from the same period of the previous fiscal year to 607.7 billion yen. This was mainly due to the increase in purchased power from other suppliers and the increase in fuel costs in the overseas business, despite decrease in fuel costs associated with the decrease in load factor of thermal power plants in the electric power business. Total ordinary expenses including non-operating expenses increased 4.2% from the same period of the previous fiscal year to 629.5 billion yen.

As a result, ordinary income decreased 8.7% from the same period of the previous fiscal year to 66.9 billion yen. In addition, factors including posting of amounts equivalent to impairment losses related to the business of Birchwood Power Partners, L.P. which is a company accounted for using equity method as loss on business of subsidiaries and associates under extraordinary losses led to 25.1% decrease in profit attributable to owners of parent from the same period of the previous fiscal year to 38.7 billion yen.

### (2) Qualitative Information on Consolidated Financial Position

Total assets increased 22.5 billion yen from the end of the previous fiscal year to 2.7887 trillion yen mainly due to the increase in non-current assets.

Total liabilities increased 22.6 billion yen from the end of the previous fiscal year to 1.9432 trillion yen. Of this amount, interest-bearing debt increased 20.6 billion yen from the end of the previous fiscal year to 1.6634 trillion yen. Non-recourse loans in overseas business accounted for 263.5 billion yen of interest-bearing debt.

Total net assets decreased to 845.4 billion yen due mainly to the decrease in deferred gains or losses on hedges, despite posting of profit attributable to owners of parent.

As a result, the shareholders' equity ratio decreased from 28.8% at the end of the previous fiscal year to 28.5%.

### (3) Qualitative Information on Consolidated Earnings Forecasts

In its earnings forecasts for the year ending March 31, 2020, J-POWER forecasts the decrease in operating revenue and the increase in ordinary income over the previously announced figures (announced on April 26, 2019), due to factors such as decreased operating revenue resulting from the decrease in fuel price in the electric power business and valuation gains due to foreign exchange fluctuations for foreign currency denominated liabilities in overseas subsidiaries.

#### Consolidated earnings forecasts (Year ending March 31, 2020)

(Unit: billion yen)			
	Revised forecasts	Previous forecasts	Year ended Mar. 31, 2019 (Result)
Operating Revenue	920.0	940.0	897.3
Operating Income	75.0	73.0	78.8
Ordinary Income	71.0	60.0	68.5
Profit attributable to owners of parent	41.0	42.0	46.2

#### Electricity sales volume and other factors (Year ending March 31, 2020)

			Revised forecasts	Previous forecasts	Year ended Mar. 31, 2019 (Result)
Electric Power Business	Hydroelectric	Electricity sales volume (TWh)	9.0	9.2	9.7
		Water supply rate (%)	98	100	106
	Thermal	Electricity sales volume (TWh)	51.6	52.1	54.9
		Load factor*2 (%)	77	76	79
	Wind	Electricity sales volume (TWh)	0.8	0.8	0.8
	Other*1	Electricity sales volume (TWh)	10.6	10.7	3.8
Overseas Business		Electricity sales volume (TWh)	15.2	12.6	10.9

\*1 Electricity procured from wholesale electricity market, etc.

\*2 Load factor of thermal power of J-POWER (non-consolidated)

#### Foreign exchange rate (Year ending March 31, 2020)

	Revised forecasts	Previous forecasts	Year ended Mar. 31, 2019 (Result)
Yen/US\$ (Average foreign exchange rate)	109	110	111
Yen/THB (Foreign exchange rate at the end of Dec.)	3.63	3.50	3.41

[Reference]

Non-consolidated earnings forecasts (Year ending March 31, 2020)

(Unit: billion yen)

	Revised forecasts	Previous forecasts	Year ended Mar. 31, 2019 (Result)
Operating Revenue	575.0	591.0	646.9
Operating Income	19.0	16.0	18.6
Ordinary Income	55.0	53.0	54.4
Profit	53.0	51.0	52.7

## 2. Consolidated Financial Statements and Major Notes

### (1) Consolidated Balance Sheet

(Unit: million yen)

	As of Mar. 31, 2019	As of Dec. 31, 2019
<b>Assets</b>		
Non-current assets	2,401,671	2,414,861
Electric utility plant and equipment	944,323	930,197
Hydroelectric power production facilities	351,141	349,328
Thermal power production facilities	302,274	298,929
Internal combustion engine power production facilities	2,967	2,859
Renewable power production facilities	44,169	40,182
Transmission facilities	150,699	148,345
Transformation facilities	29,833	29,055
Communication facilities	8,552	7,975
General facilities	54,684	53,521
Overseas business facilities	312,128	310,373
Other non-current assets	94,836	89,853
Construction in progress	582,083	633,774
Construction and retirement in progress	582,083	633,774
Nuclear fuel	74,514	74,655
Nuclear fuel in processing	74,514	74,655
Investments and other assets	393,785	376,006
Long-term investments	313,339	290,677
Deferred tax assets	53,321	54,555
Other	27,123	30,773
Current assets	364,508	373,904
Cash and deposits	121,187	120,167
Notes and accounts receivable-trade	84,686	81,776
Short-term investments	66,000	57,035
Inventories	53,483	49,125
Other	39,149	65,800
Allowance for doubtful accounts	-	(0)
<b>Total assets</b>	<b>2,766,179</b>	<b>2,788,766</b>

(Unit: million yen)

	As of Mar. 31, 2019	As of Dec. 31, 2019
<b>Liabilities</b>		
Non-current liabilities	1,622,378	1,650,222
Bonds payable	614,992	624,993
Long-term loans payable	852,269	855,154
Lease obligations	1,106	2,449
Other provision	30	28
Net defined benefit liability	57,790	56,638
Asset retirement obligations	29,023	29,820
Deferred tax liabilities	19,455	16,482
Other	47,709	64,655
Current liabilities	298,219	293,055
Current portion of non-current liabilities	159,335	165,626
Short-term loans payable	15,278	15,368
Notes and accounts payable-trade	25,457	26,972
Accrued taxes	17,155	15,303
Other provision	678	516
Asset retirement obligations	368	379
Other	79,946	68,888
<b>Total liabilities</b>	<b>1,920,597</b>	<b>1,943,277</b>
<b>Net assets</b>		
Shareholders' equity	777,699	802,663
Capital stock	180,502	180,502
Capital surplus	119,927	119,877
Retained earnings	477,276	502,291
Treasury shares	(7)	(7)
Accumulated other comprehensive income	19,760	(7,421)
Valuation difference on available-for-sale securities	12,482	12,267
Deferred gains or losses on hedges	(7,293)	(29,373)
Foreign currency translation adjustment	17,551	11,258
Remeasurements of defined benefit plans	(2,979)	(1,573)
Non-controlling interests	48,123	50,246
<b>Total net assets</b>	<b>845,582</b>	<b>845,489</b>
<b>Total liabilities and net assets</b>	<b>2,766,179</b>	<b>2,788,766</b>



## (2) Consolidated Statement of Income and Comprehensive Income

### Consolidated statement of income

(Unit: million yen)

	Nine months ended Dec. 31, 2018	Nine months ended Dec. 31, 2019
Operating revenue	659,985	676,003
Electric utility operating revenue	509,331	509,840
Overseas business operating revenue	106,831	130,608
Other business operating revenue	43,822	35,554
Operating expenses	582,221	607,766
Electric utility operating expenses	460,840	464,199
Overseas business operating expenses	83,069	109,105
Other business operating expenses	38,311	34,461
Operating income	<u>77,763</u>	<u>68,237</u>
Non-operating income	17,312	20,467
Dividend income	1,549	1,462
Interest income	1,023	1,000
Share of profit of entities accounted for using equity method	9,278	9,140
Foreign exchange gains	1,179	5,993
Other	4,281	2,870
Non-operating expenses	21,794	21,792
Interest expenses	19,966	19,612
Other	1,827	2,180
Total ordinary revenue	677,297	696,470
Total ordinary expenses	604,016	629,558
Ordinary income	73,281	66,911
Extraordinary losses	-	8,974
Loss on business of subsidiaries and associates	-	8,974
Profit before income taxes	<u>73,281</u>	<u>57,936</u>
Income taxes-current	10,918	10,353
Income taxes-deferred	2,987	(142)
Total income taxes	<u>13,905</u>	<u>10,210</u>
Profit	59,376	47,726
Profit attributable to non-controlling interests	7,657	8,982
Profit attributable to owners of parent	<u>51,719</u>	<u>38,743</u>

Consolidated statement of comprehensive income

	(Unit: million yen)	
	Nine months ended Dec. 31, 2018	Nine months ended Dec. 31, 2019
Profit	59,376	47,726
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,827)	(388)
Deferred gains or losses on hedges	5,596	(14,619)
Foreign currency translation adjustment	(1,748)	(4,241)
Remeasurements of defined benefit plans, net of tax	(351)	1,404
Share of other comprehensive income of entities accounted for using equity method	5,081	(13,360)
Total other comprehensive income	2,751	(31,204)
Comprehensive income	62,127	16,521
(Comprehensive income attributable to abstract)		
Comprehensive income attributable to owners of parent	50,539	11,562
Comprehensive income attributable to non-controlling interests	11,588	4,959

**(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)

	Nine months ended Dec. 31, 2018 (A)	Nine months ended Dec. 31, 2019 (B)	Year-on-year change	
			(B-A)	(B-A)/A
Operating revenue	659,985	676,003	16,018	2.4%
Electric utility operating revenue	509,331	509,840	508	0.1%
Sold power to other suppliers	470,953	470,373	(579)	(0.1)%
Transmission revenue	37,200	37,360	160	0.4%
Other electricity revenue	1,177	2,105	928	78.8%
Overseas business operating revenue	106,831	130,608	23,777	22.3%
Other business operating revenue	43,822	35,554	(8,267)	(18.9)%
Operating expenses	582,221	607,766	25,545	4.4%
Electric utility operating expenses	460,840	464,199	3,359	0.7%
Personnel expense	23,062	25,464	2,401	10.4%
Fuel cost	221,907	177,643	(44,264)	(19.9)%
Repair expense	49,364	52,077	2,712	5.5%
Consignment cost	26,116	25,260	(855)	(3.3)%
Taxes and duties	19,281	18,546	(735)	(3.8)%
Depreciation and amortization cost	42,353	42,418	64	0.2%
Other	78,753	122,790	44,036	55.9%
Overseas business operating expenses	83,069	109,105	26,035	31.3%
Other business operating expenses	38,311	34,461	(3,850)	(10.1)%
Operating income	77,763	68,237	(9,526)	(12.3)%
Non-operating income	17,312	20,467	3,154	18.2%
Dividend income	1,549	1,462	(86)	(5.6)%
Interest income	1,023	1,000	(23)	(2.3)%
Share of profit of entities accounted for using equity method	9,278	9,140	(137)	(1.5)%
Foreign exchange gains	1,179	5,993	4,814	408.2%
Other	4,281	2,870	(1,411)	(33.0)%
Non-operating expenses	21,794	21,792	(2)	(0.0)%
Interest expenses	19,966	19,612	(354)	(1.8)%
Other	1,827	2,180	352	19.3%
Total ordinary revenue	677,297	696,470	19,173	2.8%
Total ordinary expenses	604,016	629,558	25,542	4.2%
Ordinary income	73,281	66,911	(6,369)	(8.7)%
Extraordinary losses	-	8,974	8,974	-
Profit before income taxes	73,281	57,936	(15,344)	(20.9)%
Income taxes-current	10,918	10,353	(564)	(5.2)%
Income taxes-deferred	2,987	(142)	(3,129)	-
Profit	59,376	47,726	(11,650)	(19.6)%
Profit attributable to non-controlling interests	7,657	8,982	1,325	17.3%
Profit attributable to owners of parent	51,719	38,743	(12,975)	(25.1)%

[Appendix 2]

(1) Generation capacity

(Unit: kW)

	As of Dec. 31, 2018 (A)	As of Dec. 31, 2019 (B)	Year-on-year change (B-A)
Electric power business	17,542,449	17,177,449	(365,000)
Hydroelectric power	8,575,369	8,560,369	(15,000)
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	21,532,449	21,167,449	(365,000)

(2) Electricity sales volume

(Unit: GWh)

	Nine months ended Dec. 31, 2018 (A)	Nine months ended Dec. 31, 2019 (B)	Year-on-year change (B-A)
Electric power business	51,372	53,274	1,902
Hydroelectric power	8,029	7,057	(971)
Thermal power	40,681	37,329	(3,352)
Wind power	530	549	19
Other	2,130	8,338	6,207
Overseas business	7,944	11,415	3,471
Total	59,316	64,690	5,373

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

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

(Unit: %)

	Nine months ended Dec. 31, 2018 (A)	Nine months ended Dec. 31, 2019 (B)	Year-on-year change (B-A)
Water supply rate	110	98	(12)
Load factor	78	74	(4)

## [Appendix 3]

## Revenues and Expenses (Non-Consolidated)

(Unit: million yen)

	Nine months ended Dec. 31, 2018 (A)	Nine months ended Dec. 31, 2019 (B)	Year-on-year change	
			(B-A)	(B-A)/A
Operating revenue	484,740	424,174	(60,566)	(12.5)%
<u>Electric utility operating revenue</u>	474,290	418,213	(56,076)	(11.8)%
Sold power to other suppliers	434,634	378,527	(56,107)	(12.9)%
Transmission revenue	37,200	37,360	160	0.4%
Other electricity revenue	2,454	2,325	(128)	(5.2)%
<u>Incidental business operating revenue</u>	10,450	5,960	(4,490)	(43.0)%
Operating expenses	449,219	397,089	(52,129)	(11.6)%
<u>Electric utility operating expenses</u>	439,358	391,752	(47,606)	(10.8)%
Personnel expense	24,107	26,498	2,391	9.9%
Fuel cost	213,944	172,446	(41,498)	(19.4)%
Repair expense	50,139	52,139	2,000	4.0%
Taxes and duties	18,600	17,866	(733)	(3.9)%
Depreciation and amortization cost	38,143	39,316	1,173	3.1%
Other	94,423	83,484	(10,939)	(11.6)%
<u>Incidental business operating expenses</u>	9,860	5,337	(4,523)	(45.9)%
Operating income	35,520	27,084	(8,436)	(23.8)%
Non-operating income	50,610	50,852	241	0.5%
Non-operating expenses	11,458	12,236	778	6.8%
Financial expenses	10,285	9,948	(337)	(3.3)%
Other	1,173	2,288	1,115	95.1%
Total ordinary revenue	535,351	475,026	(60,325)	(11.3)%
Total ordinary expenses	460,678	409,326	(51,351)	(11.1)%
Ordinary income	74,673	65,699	(8,973)	(12.0)%
Profit before income taxes	74,673	65,699	(8,973)	(12.0)%
Income taxes-current	4,171	3,513	(657)	(15.8)%
Income taxes-deferred	2,898	1,401	(1,496)	(51.7)%
Profit	67,604	60,784	(6,819)	(10.1)%