

This is an English translation of the Financial Results (*Kessan Tanshin*) filed with the Tokyo Stock Exchange on August 5, 2020. 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, 2020)

August 5, 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: August 6, 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, 2020 to June 30, 2020)

(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, 2020	187,918	(13.0)	22,591	(25.1)	15,058	(48.6)	11,761	(38.9)
Three months ended June 30, 2019	215,876	9.3	30,151	(3.3)	29,312	(18.0)	19,255	(23.5)

(Note) Comprehensive income: Three months ended June 30, 2020 (39,302) million yen - %
Three months ended June 30, 2019 15,421 million yen (32.3)%

	Earnings per share	Fully diluted earnings per share
	yen	yen
Three months ended June 30, 2020	64.25	—
Three months ended June 30, 2019	105.19	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
Three months ended June 30, 2020	2,799,261	810,651	27.5
Year ended March 31, 2020	2,805,390	857,387	28.8

(Reference) Shareholders' equity: Three months ended June 30, 2020 770,077 million yen
Year ended March 31, 2020 807,764 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, 2020	—	35.00	—	40.00	75.00
Year ending March 31, 2021	—				
Year ending March 31, 2021 (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, 2021 (From April 1, 2020 to March 31, 2021)

(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, 2021	915,000	0.1	85,000	1.6	75,000	(4.0)	47,000	11.2	256.76

(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, 2020:	183,051,100
Year ended March 31, 2020:	183,051,100
 - 2) Treasury stock at the end of the period

Three months ended June 30, 2020:	2,441
Year ended March 31, 2020:	2,441
 - 3) Average number of shares outstanding during the period

Three months ended June 30, 2020:	183,048,659
Three months ended June 30, 2019:	183,048,945

* 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 <https://www.jpowers.co.jp/english/> under the investor relations section.

Table of Contents

1. Qualitative Information on Consolidated Financial Results	2
(1) Qualitative Information on Consolidated Operating Results	2
(2) Qualitative Information on Consolidated Financial Position	2
(3) Qualitative Information on Consolidated Earnings Forecasts	3
2. Consolidated Financial Statements and Major Notes	4
(1) Consolidated Balance Sheet	4
(2) Consolidated Statement of Income and Comprehensive Income	6
(3) Notes on Premise of Going Concern	8
(4) Notes on Significant Changes in Shareholders' Equity	8
(5) Additional Information	8
3. Appendixes	9
[Appendix 1].....	9
[Appendix 2].....	10

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, 2020 showed 10.8% increase from the same period of the previous fiscal year to 2.3TWh, due mainly to the increase in water supply rate from 79% to 81%. In thermal power, the increase in the load factor of thermal power plants of J-POWER (non-consolidated) from 57% to 65% resulted in 14.7% increase in electricity sales volume from the same period of the previous fiscal year to 11.2TWh. Despite the volume of electricity procured from wholesale electricity market, etc. and sold to retailers decreased, total electricity sales volume of the electric power business increased 6.3% from the same period of the previous fiscal year to 15.8TWh.

Electricity sales volume in the overseas business increased 17.7% from the same period of the previous fiscal year to 3.7TWh.

2) Overview of Income and Expenditures

Sales (operating revenues) decreased 13.0% from the same period of the previous fiscal year to 187.9 billion yen, mainly due to the decrease in fuel price for thermal power plants and fall in electricity market price while electricity sales volume in the electric power business increased. Total ordinary revenue including non-operating revenue decreased 12.6% from the same period of the previous fiscal year to 194.0 billion yen.

Operating expenses decreased 11.0% from the same period of the previous fiscal year to 165.3 billion yen, mainly due to the decrease in purchased power from other suppliers and decrease in fuel costs for thermal power plants in the electric power business. Non-operating expenses increased 96.5% from the same period of the previous fiscal year to 13.6 billion yen, mainly due to posting foreign exchange losses. Total ordinary expenses decreased 7.1% from the same period of the previous fiscal year to 178.9 billion yen.

As a result, ordinary income decreased 48.6% from the same period of the previous fiscal year to 15.0 billion yen and profit attributable to owners of parent after corporate income tax decreased 38.9% from the same period of the previous fiscal year to 11.7 billion yen.

(2) Qualitative Information on Consolidated Financial Position

Total assets decreased 6.1 billion yen from the end of the previous fiscal year to 2.7992 trillion yen. This is mainly due to foreign exchange fluctuations, while progress of construction works of Takehara Thermal Power Plant Unit New No.1, which has started commercial operations on June 30, 2020, and Jackson Gas-fired Thermal Power Plant in the US contributed to increase in assets.

Total liabilities increased 40.6 billion yen from the end of the previous fiscal year to 1.9886 trillion yen. Of this amount, interest-bearing debt increased 24.5 billion yen from the end of the previous fiscal year to 1.6729 trillion yen. Non-recourse loans in overseas business accounted for 265.4 billion yen of interest-bearing debt.

Total net assets decreased 46.7 billion yen to 810.6 billion yen, due mainly to decrease in

deferred gains or losses on hedges and foreign currency translation adjustment.

As a result, shareholders' equity ratio decreased from 28.8% at the end of the previous fiscal year to 27.5%.

(3) Qualitative Information on Consolidated Earnings Forecasts

There is no change in our forecasts announced on April 30, 2020.

2. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Unit: million yen)

	As of Mar. 31, 2020	As of Jun. 30, 2020
Assets		
Non-current assets	2,471,347	2,443,997
Electric utility plant and equipment	965,082	1,099,239
Hydroelectric power production facilities	353,720	351,704
Thermal power production facilities	296,715	435,266
Internal combustion engine power production facilities	2,377	2,381
Renewable power production facilities	72,492	71,007
Transmission facilities	147,922	147,078
Transformation facilities	28,896	27,675
Communication facilities	8,597	6,636
General facilities	54,359	57,489
Overseas business facilities	316,333	290,073
Other non-current assets	90,924	80,886
Construction in progress	647,160	540,044
Construction and retirement in progress	647,160	540,044
Nuclear fuel	74,812	75,060
Nuclear fuel in processing	74,812	75,060
Investments and other assets	377,033	358,693
Long-term investments	288,706	272,135
Deferred tax assets	59,413	59,418
Other	28,994	27,211
Allowance for doubtful accounts	(81)	(72)
Current assets	334,043	355,263
Cash and deposits	159,325	173,756
Notes and accounts receivable-trade	80,466	67,855
Inventories	50,375	50,661
Other	43,876	63,059
Allowance for doubtful accounts	(0)	(70)
Total assets	2,805,390	2,799,261

(Unit: million yen)

	As of Mar. 31, 2020	As of Jun. 30, 2020
Liabilities		
Non-current liabilities	1,642,354	1,706,171
Bonds payable	604,993	654,993
Long-term loans payable	865,369	870,236
Lease obligations	2,218	1,858
Other provision	29	25
Net defined benefit liability	60,119	59,829
Asset retirement obligations	30,877	30,042
Deferred tax liabilities	16,715	14,692
Other	62,031	74,493
Current liabilities	305,648	282,437
Current portion of non-current liabilities	161,013	131,074
Short-term loans payable	14,952	14,910
Notes and accounts payable-trade	28,729	24,601
Accrued taxes	19,430	13,247
Other provision	622	428
Asset retirement obligations	386	333
Other	80,514	97,841
Total liabilities	1,948,003	1,988,609
Net assets		
Shareholders' equity	806,197	810,636
Capital stock	180,502	180,502
Capital surplus	119,877	119,877
Retained earnings	505,825	510,264
Treasury shares	(8)	(8)
Accumulated other comprehensive income	1,567	(40,559)
Valuation difference on available-for-sale securities	6,156	6,824
Deferred gains or losses on hedges	(23,263)	(42,752)
Foreign currency translation adjustment	22,479	(1,417)
Remeasurements of defined benefit plans	(3,806)	(3,214)
Non-controlling interests	49,623	40,574
Total net assets	857,387	810,651
Total liabilities and net assets	2,805,390	2,799,261

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated statement of income

(Unit: million yen)

	Three months ended Jun. 30, 2019	Three months ended Jun. 30, 2020
Operating revenue	215,876	187,918
Electric utility operating revenue	162,349	138,142
Overseas business operating revenue	40,269	40,391
Other business operating revenue	13,257	9,383
Operating expenses	185,724	165,326
Electric utility operating expenses	140,657	120,383
Overseas business operating expenses	33,004	34,086
Other business operating expenses	12,062	10,855
Operating income	30,151	22,591
Non-operating income	6,101	6,106
Dividend income	962	550
Interest income	332	149
Share of profit of entities accounted for using equity method	1,775	4,402
Foreign exchange gains	2,023	-
Other	1,007	1,004
Non-operating expenses	6,940	13,639
Interest expenses	6,589	5,963
Foreign exchange losses	-	7,073
Other	351	602
Total ordinary revenue	221,977	194,024
Total ordinary expenses	192,665	178,965
Ordinary income	29,312	15,058
Profit before income taxes	29,312	15,058
Income taxes-current	4,801	3,209
Income taxes-deferred	2,210	1,110
Total income taxes	7,012	4,319
Profit	22,300	10,738
Profit (loss) attributable to non-controlling interests	3,044	(1,022)
Profit attributable to owners of parent	19,255	11,761

Consolidated statement of comprehensive income

	(Unit: million yen)	
	Three months ended Jun. 30, 2019	Three months ended Jun. 30, 2020
Profit	22,300	10,738
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,103)	450
Deferred gains or losses on hedges	(7,192)	(12,039)
Foreign currency translation adjustment	4,763	(23,988)
Remeasurements of defined benefit plans, net of tax	464	590
Share of other comprehensive income of entities accounted for using equity method	(2,811)	(15,054)
Total other comprehensive income	(6,878)	(50,041)
Comprehensive income	15,421	(39,302)
(Comprehensive income attributable to abstract)		
Comprehensive income attributable to owners of parent	12,913	(30,364)
Comprehensive income attributable to non-controlling interests	2,507	(8,938)

(3) Notes on Premise of Going Concern

Not applicable.

(4) Notes on Significant Changes in Shareholders' Equity

Not applicable.

(5) Additional Information

(Spread of COVID-19 infection)

The J-POWER Group is promoting power plant construction projects in the US, UK and Indonesia. Spread of COVID-19 infection is affecting J-POWER Group in terms of construction of power plants, etc. Although it is difficult to reasonably estimate when each power plant starts operation and influence on other factors, there are currently no significant events affecting the financial position. There are no significant changes from the contents described in the securities report filed on June 26, 2020.

3. Appendixes

[Appendix 1]

Revenues and Expenses (Consolidated)

(Unit: million yen)

	Three months ended Jun. 30, 2019 (A)	Three months ended Jun. 30, 2020 (B)	Year-on-year change	
			(B-A)	(B-A)/A
Operating revenue	215,876	187,918	(27,958)	(13.0)%
Electric utility operating revenue	162,349	138,142	(24,206)	(14.9)%
Sold power to other suppliers	149,246	125,001	(24,245)	(16.2)%
Transmission revenue	12,312	12,269	(42)	(0.3)%
Other electricity revenue	790	871	80	10.2%
Overseas business operating revenue	40,269	40,391	122	0.3%
Other business operating revenue	13,257	9,383	(3,874)	(29.2)%
Operating expenses	185,724	165,326	(20,398)	(11.0)%
Electric utility operating expenses	140,657	120,383	(20,273)	(14.4)%
Personnel expense	8,319	8,787	467	5.6%
Fuel cost	50,886	45,465	(5,421)	(10.7)%
Repair expense	12,226	8,744	(3,481)	(28.5)%
Consignment cost	8,132	8,768	636	7.8%
Taxes and duties	6,136	5,863	(272)	(4.4)%
Depreciation and amortization cost	13,956	16,040	2,084	14.9%
Other	40,999	26,713	(14,285)	(34.8)%
Overseas business operating expenses	33,004	34,086	1,081	3.3%
Other business operating expenses	12,062	10,855	(1,206)	(10.0)%
Operating income	30,151	22,591	(7,559)	(25.1)%
Non-operating income	6,101	6,106	5	0.1%
Dividend income	962	550	(412)	(42.8)%
Interest income	332	149	(182)	(55.0)%
Share of profit of entities accounted for using equity method	1,775	4,402	2,626	147.9%
Foreign exchange gains	2,023	-	(2,023)	-
Other	1,007	1,004	(3)	(0.3)%
Non-operating expenses	6,940	13,639	6,698	96.5%
Interest expenses	6,589	5,963	(625)	(9.5)%
Foreign exchange losses	-	7,073	7,073	-
Other	351	602	250	71.3%
Total ordinary revenue	221,977	194,024	(27,953)	(12.6)%
Total ordinary expenses	192,665	178,965	(13,699)	(7.1)%
Ordinary income	29,312	15,058	(14,253)	(48.6)%
Profit before income taxes	29,312	15,058	(14,253)	(48.6)%
Income taxes-current	4,801	3,209	(1,591)	(33.2)%
Income taxes-deferred	2,210	1,110	(1,100)	(49.8)%
Profit	22,300	10,738	(11,561)	(51.8)%
Profit (loss) attributable to non-controlling interests	3,044	(1,022)	(4,067)	-
Profit attributable to owners of parent	19,255	11,761	(7,494)	(38.9)%

[Appendix 2]

(1) Generation capacity

(Unit: kW)

	As of Jun. 30, 2019 (A)	As of Jun. 30, 2020 (B)	Year-on-year change (B-A)
Electric power business	17,192,449	17,868,849	676,400
Hydroelectric power	8,575,369	8,560,369	(15,000)
Thermal power	8,173,420	8,773,420	600,000
Wind power	443,660	535,060	91,400
Overseas business	3,990,000	3,990,000	-
Total	21,182,449	21,858,849	676,400

(2) Electricity sales volume

(Unit: GWh)

	Three months ended Jun. 30, 2019 (A)	Three months ended Jun. 30, 2020 (B)	Year-on-year change (B-A)
Electric power business	14,906	15,845	938
Hydroelectric power	2,107	2,334	226
Thermal power	9,779	11,219	1,440
Wind power	169	257	88
Other	2,850	2,033	(817)
Overseas business	3,223	3,793	570
Total	18,130	19,639	1,508

* 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, 2019 (A)	Three months ended Jun. 30, 2020 (B)	Year-on-year change (B-A)
Water supply rate	79	81	2
Load factor	57	65	8