

This is an English translation of the Financial Results (*Kessan Tanshin*) filed with the Tokyo Stock Exchange on July 30, 2021. 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, 2021)

July 30, 2021

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 2, 2021

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, 2021 to June 30, 2021)

(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, 2021	191,743	2.0	21,544	(4.6)	19,882	32.0	14,020	19.2
Three months ended June 30, 2020	187,918	(13.0)	22,591	(25.1)	15,058	(48.6)	11,761	(38.9)

(Note) Comprehensive income: Three months ended June 30, 2021 52,669 million yen - %
Three months ended June 30, 2020 (39,302) million yen - %

	Earnings per share	Fully diluted earnings per share
	yen	yen
Three months ended June 30, 2021	76.59	—
Three months ended June 30, 2020	64.25	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
Three months ended June 30, 2021	2,900,207	896,970	29.3
Year ended March 31, 2021	2,841,960	853,685	28.5

(Reference) Shareholders' equity: Three months ended June 30, 2021 849,399 million yen
Year ended March 31, 2021 809,145 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, 2021	—	35.00	—	40.00	75.00
Year ending March 31, 2022	—				
Year ending March 31, 2022 (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, 2022 (From April 1, 2021 to March 31, 2022)

(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, 2022	842,000	(7.4)	59,000	(24.1)	50,000	(17.9)	34,000	52.4	185.74

(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
- (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, 2021:	183,051,100
Year ended March 31, 2021:	183,051,100
 - 2) Treasury stock at the end of the period

Three months ended June 30, 2021:	2,761
Year ended March 31, 2021:	2,741
 - 3) Average number of shares outstanding during the period

Three months ended June 30, 2021:	183,048,356
Three months ended June 30, 2020:	183,048,659

* 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.

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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, 2021 showed 18.2% increase from the same period of the previous fiscal year to 2.7TWh, due mainly to the increase in water supply rate from 81% to 98%. The sales volume of electricity procured from wholesale electricity market, etc. showed 88.4% increase from the same period of the previous fiscal year to 3.8TWh. In thermal power, the decrease in the load factor of thermal power plants of J-POWER (non-consolidated) from 65% to 44% mainly due to equipment troubles resulted in 29.7% decrease in electricity sales volume from the same period of the previous fiscal year to 7.8TWh. Total electricity sales volume of the electric power business decreased 7.0% from the same period of the previous fiscal year to 14.7TWh.

Electricity sales volume in the overseas business decreased 10.3% from the same period of the previous fiscal year to 3.4TWh.

2) Overview of Income and Expenditures

Sales (operating revenues) increased 2.0% from the same period of the previous fiscal year to 191.7 billion yen, mainly due to the increase in the sales volume of electricity procured from wholesale electricity market, etc. while the electricity sales volume from thermal power plants decreased due to the decrease in the load factor in the electric power business and the electricity sales volume in the overseas business decreased. Total ordinary revenue including non-operating revenue increased 3.3% from the same period of the previous fiscal year to 200.4 billion yen.

Operating expenses increased 2.9% from the same period of the previous fiscal year to 170.1 billion yen, mainly due to the increase in purchased power from other suppliers and increase in depreciation and amortization cost while the fuel costs for thermal power plants in the electric power business and overseas business decreased. Non-operating expenses decreased 23.6% from the same period of the previous fiscal year to 10.4 billion yen, mainly due to the decrease in foreign exchange losses. Total ordinary expenses increased 0.9% from the same period of the previous fiscal year to 180.6 billion yen.

As a result, ordinary income increased 32.0% from the same period of the previous fiscal year to 19.8 billion yen and profit attributable to owners of parent after corporate income tax increased 19.2% from the same period of the previous fiscal year to 14.0 billion yen.

The effect of the application of the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. on the quarterly consolidated financial statements is immaterial.

(2) Qualitative Information on Consolidated Financial Position

Total assets increased 58.2 billion yen from the end of the previous fiscal year to 2.9002 trillion yen. This is mainly due to the progress of construction works of Central Java Coal-fired Thermal Power Plant in Indonesia and Jackson Gas-fired Thermal Power Plant in the US, in

addition to the depreciation of the yen.

Total liabilities increased 14.9 billion yen from the end of the previous fiscal year to 2.0032 trillion yen. Of this amount, interest-bearing debt accounted for 1.7160 trillion yen. Non-recourse loans in overseas business accounted for 300.0 billion yen of interest-bearing debt.

Total net assets increased 43.2 billion yen to 896.9 billion yen, mainly due to the increase in foreign currency translation adjustment and deferred gains or losses on hedges, in addition to the accounting of profit attributable to owners of parent.

As a result, shareholders' equity ratio increased from 28.5% at the end of the previous fiscal year to 29.3%.

(3) Qualitative Information on Consolidated Earnings Forecasts

There is no change in our forecasts announced on April 30, 2021. As for non-consolidated, there is no change in our forecasts announced on June 22, 2021.

2. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Unit: million yen)

	As of Mar. 31, 2021	As of Jun. 30, 2021
Assets		
Non-current assets	2,475,202	2,539,738
Electric utility plant and equipment	1,107,399	1,094,889
Hydroelectric power production facilities	356,513	355,647
Thermal power production facilities	422,645	415,505
Internal combustion engine power production facilities	1,460	1,451
Renewable power production facilities	84,040	82,085
Transmission facilities	145,989	144,420
Transformation facilities	31,743	31,554
Communication facilities	7,054	6,833
General facilities	57,952	57,391
Overseas business facilities	286,958	292,035
Other non-current assets	91,106	94,494
Construction in progress	588,222	610,106
Construction in progress	588,222	610,106
Nuclear fuel	75,359	75,462
Nuclear fuel in processing	75,359	75,462
Investments and other assets	326,156	372,749
Long-term investments	252,425	303,441
Retirement benefit asset	87	96
Deferred tax assets	54,221	50,537
Other	19,521	18,762
Allowance for doubtful accounts	(99)	(87)
Current assets	366,757	360,469
Cash and deposits	189,842	156,217
Notes and accounts receivable - trade	66,140	-
Notes and accounts receivable - trade, and contract assets	-	79,282
Inventories	46,085	49,106
Other	65,042	76,243
Allowance for doubtful accounts	(352)	(381)
Total assets	2,841,960	2,900,207

(Unit: million yen)

	As of Mar. 31, 2021	As of Jun. 30, 2021
Liabilities		
Non-current liabilities	1,713,159	1,748,123
Bonds payable	654,994	694,994
Long-term loans payable	892,350	893,818
Lease obligations	2,484	2,517
Other provision	26	28
Net defined benefit liability	45,647	45,826
Asset retirement obligations	35,378	35,812
Deferred tax liabilities	15,403	17,502
Other	66,874	57,622
Current liabilities	275,115	255,113
Current portion of non-current liabilities	87,332	97,154
Short-term loans payable	8,947	8,943
Commercial papers	20,005	20,002
Notes and accounts payable-trade	23,625	27,524
Accrued taxes	43,865	12,584
Other provision	661	587
Asset retirement obligations	493	425
Other	90,185	87,890
Total liabilities	1,988,274	2,003,237
Net assets		
Shareholders' equity	814,772	821,625
Capital stock	180,502	180,502
Capital surplus	119,877	119,877
Retained earnings	514,401	521,254
Treasury shares	(8)	(8)
Accumulated other comprehensive income	(5,627)	27,773
Valuation difference on available-for-sale securities	11,156	11,033
Deferred gains or losses on hedges	(33,968)	(18,810)
Foreign currency translation adjustment	9,096	28,775
Remeasurements of defined benefit plans	8,088	6,775
Non-controlling interests	44,540	47,571
Total net assets	853,685	896,970
Total liabilities and net assets	2,841,960	2,900,207

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated statement of income

(Unit: million yen)

	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2021
Operating revenue	187,918	191,743
Electric utility operating revenue	138,142	143,784
Overseas business operating revenue	40,391	36,366
Other business operating revenue	9,383	11,592
Operating expenses	165,326	170,198
Electric utility operating expenses	120,383	128,322
Overseas business operating expenses	34,086	29,319
Other business operating expenses	10,855	12,556
Operating income	22,591	21,544
Non-operating income	6,106	8,754
Dividend income	550	641
Interest income	149	191
Share of profit of entities accounted for using equity method	4,402	5,490
Gain on valuation of derivatives	722	1,815
Other	281	616
Non-operating expenses	13,639	10,417
Interest expenses	5,963	5,687
Foreign exchange losses	7,073	4,180
Other	602	549
Total ordinary revenue	194,024	200,498
Total ordinary expenses	178,965	180,615
Ordinary income	15,058	19,882
Profit before income taxes	15,058	19,882
Income taxes-current	3,209	2,301
Income taxes-deferred	1,110	2,841
Total income taxes	4,319	5,143
Profit	10,738	14,739
Profit (loss) attributable to non-controlling interests	(1,022)	718
Profit attributable to owners of parent	11,761	14,020

Consolidated statement of comprehensive income

(Unit: million yen)

	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2021
Profit	10,738	14,739
Other comprehensive income		
Valuation difference on available-for-sale securities	450	(35)
Deferred gains or losses on hedges	(12,039)	10,573
Foreign currency translation adjustment	(23,988)	17,916
Remeasurements of defined benefit plans, net of tax	590	(1,312)
Share of other comprehensive income of entities accounted for using equity method	(15,054)	10,787
Total other comprehensive income	(50,041)	37,930
Comprehensive income	(39,302)	52,669
(Comprehensive income attributable to abstract)		
Comprehensive income attributable to owners of parent	(30,364)	47,421
Comprehensive income attributable to non-controlling interests	(8,938)	5,248

(3) Notes on Premise of Going Concern

Not applicable.

(4) Notes on Significant Changes in Shareholders' Equity

Not applicable.

(5) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements

(Changes in accounting policies)

(Application of the Revenue Recognition Accounting Standard, etc.)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the "Revenue Recognition Accounting Standard") and other related standards have been applied since the beginning of the first quarter of the current fiscal year, and the Company recognizes revenue when control of promised goods or services has been transferred to customers at the amount expected to be received in exchange for those goods or services. For some transactions, the Company previously recognized the total amount of consideration received from customers as revenue. As a result of the said change, however, for transactions in which the J-POWER Group's role in providing goods or services to customers is that of an agent, the Company has changed to a method of recognizing revenue at the net amount, which is the amount received from customers less the amount paid to suppliers.

For the application of the Revenue Recognition Accounting Standard, etc., the Company has followed the transitional treatment prescribed in the proviso of paragraph 84 of the Revenue Recognition Accounting Standard, and the cumulative effect of retroactively applying the new accounting policy to the periods prior to the beginning of the first quarter of the current fiscal year has been added to or subtracted from retained earnings at the beginning of the first quarter of the current fiscal year, and the new accounting policy has been applied starting from the balance at the beginning of the first quarter of the current fiscal year.

The effect of this on the quarterly consolidated financial statements is immaterial.

Due to the application of the Revenue Recognition Accounting Standard, etc., "Notes and accounts receivable-trade," which was presented under "Current assets" in the consolidated balance sheet for the previous fiscal year, is now included in "Notes and accounts receivable-trade, and contract assets" from the first quarter of the current fiscal year. In accordance with the transitional treatment prescribed in paragraph 89-2 of the Revenue Recognition Accounting Standard, the previous consolidated fiscal year is not restated by using the new presentation method.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The "Accounting Standard for Measurement of Fair Value" (ASBJ Statement No. 30, July 4, 2019, hereinafter referred to as the "Fair Value Accounting Standard"), etc. have been applied since the beginning of the first quarter of the current fiscal year and in accordance with the transitional treatment prescribed in paragraph 19 of the Fair Value Accounting Standard and paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Company will henceforth apply the new accounting policy set forth by

the Fair Value Accounting Standard, etc. The effect of this on the quarterly consolidated financial statements is immaterial.

(6) Additional Information

(Spread of COVID-19 infection)

The J-POWER Group is promoting power plant construction projects in the US, UK and Indonesia. Though COVID-19 infection is affecting power plant construction projects in each country, the impact is limited and there has occurred no significant events which affect financial position. There are no significant changes from the contents described in the securities report filed on June 25, 2021.

3. Appendixes

[Appendix 1]

Revenues and Expenses (Consolidated)

(Unit: million yen)

	Three months ended Jun. 30, 2020 (A)	Three months ended Jun. 30, 2021 (B)	Year-on-year change	
			(B-A)	(B-A)/A
Operating revenue	187,918	191,743	3,825	2.0%
Electric utility operating revenue	138,142	143,784	5,642	4.1%
Sold power to other suppliers	125,001	131,169	6,168	4.9%
Transmission revenue	12,269	11,978	(291)	(2.4)%
Other electricity revenue	871	636	(234)	(26.9)%
Overseas business operating revenue	40,391	36,366	(4,025)	(10.0)%
Other business operating revenue	9,383	11,592	2,208	23.5%
Operating expenses	165,326	170,198	4,872	2.9%
Electric utility operating expenses	120,383	128,322	7,939	6.6%
Personnel expense	8,787	6,160	(2,627)	(29.9)%
Fuel cost	45,465	35,120	(10,344)	(22.8)%
Repair expense	8,744	9,999	1,255	14.4%
Consignment cost	8,768	10,744	1,975	22.5%
Taxes and duties	5,863	6,151	288	4.9%
Depreciation and amortization cost	16,040	18,246	2,205	13.7%
Other	26,713	41,900	15,186	56.8%
Overseas business operating expenses	34,086	29,319	(4,767)	(14.0)%
Other business operating expenses	10,855	12,556	1,701	15.7%
Operating income	22,591	21,544	(1,047)	(4.6)%
Non-operating income	6,106	8,754	2,648	43.4%
Dividend income	550	641	90	16.4%
Interest income	149	191	41	27.9%
Share of profit of entities accounted for using equity method	4,402	5,490	1,088	24.7%
Gain on valuation of derivatives	722	1,815	1,093	151.4%
Other	281	616	334	118.8%
Non-operating expenses	13,639	10,417	(3,222)	(23.6)%
Interest expenses	5,963	5,687	(275)	(4.6)%
Foreign exchange losses	7,073	4,180	(2,893)	(40.9)%
Other	602	549	(53)	(8.9)%
Total ordinary revenue	194,024	200,498	6,473	3.3%
Total ordinary expenses	178,965	180,615	1,649	0.9%
Ordinary income	15,058	19,882	4,823	32.0%
Profit before income taxes	15,058	19,882	4,823	32.0%
Income taxes-current	3,209	2,301	(908)	(28.3)%
Income taxes-deferred	1,110	2,841	1,731	156.0%
Profit	10,738	14,739	4,000	37.3%
Profit (loss) attributable to non-controlling interests	(1,022)	718	1,741	-
Profit attributable to owners of parent	11,761	14,020	2,259	19.2%

[Appendix 2]

(1) Generation capacity

(Unit: kW)

	As of Jun. 30, 2020 (A)	As of Jun. 30, 2021 (B)	Year-on-year change (B-A)
Electric power business	17,868,849	17,913,449	44,600
Hydroelectric power	8,560,369	8,560,369	-
Thermal power	8,773,420	8,773,420	-
Wind power	535,060	579,660	44,600
Overseas business	3,990,000	3,990,000	-
Total	21,858,849	21,903,449	44,600

(2) Electricity sales volume

(Unit: GWh)

	Three months ended Jun. 30, 2020 (A)	Three months ended Jun. 30, 2021 (B)	Year-on-year change (B-A)
Electric power business	15,845	14,741	(1,103)
Hydroelectric power	2,334	2,759	425
Thermal power	11,219	7,886	(3,333)
Wind power	257	264	6
Other	2,033	3,830	1,796
Overseas business	3,793	3,403	(390)
Total	19,639	18,144	(1,494)

* 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, 2020 (A)	Three months ended Jun. 30, 2021 (B)	Year-on-year change (B-A)
Water supply rate	81	98	17
Load factor	65	44	(21)